

No better living standard for a year at least, Mr Wilson says

Britain is facing the gravest economic crisis since the war, Mr Wilson said yesterday. Nobody but the hardest hit could expect any measurable improvement in living standards for at least a year.

The Government is to allow the deficit on trade in petroleum and petroleum products to remain until North Sea oil revenues mount in the late 1970s, Mr Deakins, Parliamentary Under-Secretary for Trade, has disclosed.

World prices falling but hard fight ahead

Our Political Staff
Britain was facing "the gravest economic crisis since the war," the Prime Minister said yesterday. He added that nobody but the hardest hit could expect any measurable improvement in living standards for at least a year.

Commenting that in certain respects there were signs of improvement, he said world prices seemed to be moderating and some of them falling, but it would take months to get rough to price levels in the home.

In one or two other respects, he believed, "we are getting through it," but it would be a very hard fight ahead, and he said that he expected nobody could expect any measurable improvement in living standards for at least a year.

Refusing to accept catastrophe as a description of Britain's position, Mr Wilson, who was being interviewed by the BBC radio programme *The World This Week*, said: "It is a problem that we can only solve by all of us working together."

When Labour came to office, he said, they were given a warning about the likely growth of unemployment. That was why the Chancellor of the Exchequer had his "mini-budget."

Although he could have done more, he said, he had taken a cautious line and "will be ready to fight unemployment in the autumn."

Mr Wilson claimed that the Government had been "ranked with the country."

There were differences between the parties, but nothing like so wide as the differences between economists and commentators about what should be done.

Asked whether the Government or state control did any good in national confidence, Mr Wilson replied that Labour's plans had not been published yet. "There has been too much

Most voters favour an election, poll shows

The public now appears ready to accept the case for an early general election. A special survey by *The Times*, carried out by Opinion Research Centre, finds that most voters feel Mr Wilson would be justified in calling an election.

The survey examined three areas of public opinion that could play an important part in shaping the outcome of an early election:

Attitudes to the present minority situation in Parliament.

The degree of support for an early election and views about the timing of an election.

Labour and Conservative attitudes to the present situation and the outcome of the February election, particularly the fact that the Conservatives have lost the support of most voters.

Which of these two statements comes closest to your own views (card shown):

	All	C	Lab	L
It is much better for the country to have a government than an overall majority in Parliament because it can take strong measures needed to tackle the problems facing the country	70	76	75	80
It is much better for the country to have a government than an overall majority in Parliament because it will share more responsibility and cannot do things which are only supported by its own party	24	21	20	16

Villagers tell of Cyprus atrocities

From Paul Martin
Nicosia, Aug 4

Greek Cypriots from villages round Kyrenia today recounted stories of murder, rape and looting by the Turkish Army after its invasion of Cyprus. The villagers are among 20,000 civilians driven from their homes along the northern coast of the island.

One athen-faced man said his wife and two young children had been shot before his eyes. A woman, whose husband was shot and a young girl who saw her fiancé shot, said they were raped at gunpoint by Turkish soldiers.

After two weeks of living under Turkish occupation with shortages of food and facing constant harassment, more than 100 villagers from Ayios Yeorios, Kyrenia, and Karmali were deported by the Turks to Nicosia yesterday. More than 100 men between the ages of 16 and 65 had been taken from the villages to prisoner of war camps.

Government will allow oil deficit to remain

By Tim Congdon
Business News Staff

The Government does not intend to eliminate the main part of the trade deficit. The "oil deficit" is to remain until revenue from North Sea oil eases the situation in the late 1970s.

This has been disclosed by Mr Eric Deakins, Parliamentary Under-Secretary of State for Trade. He said: "It is not part of the Government's strategy to try to earn more abroad than is needed to rectify the non-oil deficit in our balance of payments."

By the "oil deficit," Mr Deakins appears to mean the deficit on trade in petroleum and petroleum products. That is not the same as the definition by the Organisation for Economic Co-operation and Development (OECD), which is that part of the deficit on trade in petroleum and petroleum products attributable to the increase in oil prices since last October.

In the second quarter of this year the total deficit on petrol was £31m a month, much the largest component of the overall trade deficit of £456m. The non-oil deficit on Mr Deakins' definition is therefore at present £14m a month.

That is not much larger than the surplus on invisible earnings which is estimated to have been running at £103m a month recently. There is also the point that the balancing item in the first quarter was high and positive at a monthly rate of £120m.

The disclosure of the Government's plan came in an article by Mr Deakins in this week's *Export*, the journal of the Institute of Exporters.

The importance of his article is twofold. First, it confirms the Government's determination to discourage international "beggar-my-neighbour" policies.

Britain has "to try to work together to avoid the strangling of international trade through import restrictions or export policies which could help to solve one country's problems only at the expense of another," Mr Deakins writes.

Secondly, it suggests that the Government is taking a fairly sanguine view of the present state of the economy.

Although it has been generally understood that the main policy objective was to remove the non-oil deficit, and that the oil deficit was to be covered by borrowing, it has not been stated so unequivocally before.

However, Mr Deakins says that "any movement in the present situation will have to find more room in the economy for the production of exports." This restates one aim of government economic policy which was mentioned by Mr Hesley in his March Budget speech.

To remove the current account deficit entirely would require a shift in resources towards exports of about 6 per cent of gross domestic product.

To remove the non-oil deficit, on Mr Deakins' definition, would require a shift of about 1 per cent. To remove it on the OECD's definition would require a shift of about 21 per cent.

The higher OECD non-oil deficit is due to the fact that, before October 1973, Britain regularly had a 275m deficit on trade in petrol and petrol products.

Two hostages and two captors killed in gun battle at end of jail siege

Huntsville, Texas, Aug 4.—A storm of bullets ended a 24-hour siege of a prison last night as two hostages and two captors were killed in a gun battle.

At the end of the 24-hour siege, two hostages and two captors were killed in a gun battle. The hostages were killed in the burst of more than 100 bullets.

The hostages killed in the burst of more than 100 bullets were Mrs Julia Standley, aged 43, a Huntsville librarian, and Mrs Elizabeth Beseda, aged 47, a Huntsville school teacher. They were the hostages nearest the gunmen when the shooting started.

An area of low pressure disobeys forecasters

By a Staff Reporter

Thousands of people who were tempted out on one of the busiest weekends of the year by the promise of sunny weather, with only slight risk of showers, had their optimism severely dampened yesterday.

The London Weather Centre forecast for the South of England, Wales and the Channel Islands dry weather with sunny periods and temperatures in the upper sixties on Saturday, and sunny intervals with occasional showers, mainly in the North, yesterday. Instead, torrential rain and thunderstorms swept the southern part of the country.

Farmers in the New Forest did a brisk bed and breakfast trade with campers who had decided to abandon their tents. In Norfolk and Suffolk the sodden beaches were deserted, while inland, the last of the soft fruit crop rotted in the fields for want of volunteer pickers.

Portugal to recognize independence of Guinea-Bissau

From Jose Shercliff
Lisbon, Aug 4

Portugal has formally reiterated its willingness to decolonize and as a first step will recognize the Republic of Guinea-Bissau as an independent state. Immediate transfer of powers will be arranged and Portugal will support the new nation in its request for membership of the United Nations.

This announcement was made today in an eight-point statement by the United Nations information department distributed in Lisbon on the departure of Dr Kurt Waldheim, the United Nations Secretary-General. Dr Waldheim arrived here on Friday at the invitation of General Spínola and left today for Zurich.

It is significant that Guinea should be the first territory to be liberated, for President Spínola was until recently its governor and commander in

chief of its armed forces. Guinea has been under Portuguese rule for some 450 years. General Spínola has always insisted that the differences between Guinea, Angola and Mozambique made it necessary for their decolonization processes to be different.

Today's statement referred to Portugal's reaffirmation of its adherence to the United Nations declaration on granting independence to colonial people and territories recognized the rights of the peoples under its administration to self-determination and independence and announced willingness to give quick recognition to Guinea-Bissau as an independent state.

Portugal also announced its willingness to cooperate with the United Nations in speeding up the decolonization of the Cape Verde Islands. These islands, strategically placed in

the Atlantic, are regarded by Portugal as a particularly valuable protective outpost, and it had always wished to deal with their future separately from that of Guinea.

The Guinea nationalists, however, have always been in favour of a package deal on independence for the two territories together.

So far as Mozambique is concerned, the Portuguese Government recognizes the right of the people to self-determination and independence and will take immediate measures to enter into negotiations with representatives of Frelimo to speed up the process of the independence of that territory.

Reports from Mozambique in the last few days have stated that the commander of the armed forces has announced that the peace is a reality in various regions but that no formal pact has yet been made.



Weather worthy of the trenches: Old Contemptibles waiting in the rain to board a coach at Aldershot yesterday after their last annual service. Report, page 2.

Terrorists' bomb kills 12 on Italian train

From Peter Nichols
Rome, Aug 4

Shocked public opinion was tonight trying to face the consequences of the double explosion on the Rome-Munich train, one of the worst terrorist attacks in Italy's postwar history. Beyond the innocent passengers killed and injured in the Brenner Express train, it was clearly aimed at weakening still further the country's democratic structure. The death toll amounts so far to 12, with some 40 injured.

The double explosion occurred at 1.23 am local time as the train was passing through an Appennine tunnel between Florence and Bologna. Carabinieri at San Benedetto Val di Sambro, the nearest station, said that there had been two explosions in one of the crowded coaches.

The train came to a standstill just outside the station with its fifth carriage burning.

Later reports suggest that the second explosion was due to a short circuit rather than a bomb.

President Leone issued a statement expressing his deep sorrow and "a warning against

these insane murderers. The democratic state will not collapse under their blows because democracy is stronger than violence."

The Pope, in a telegram from Cardinal Villot, his Secretary of State, to Cardinal Poma, the Archbishop of Bologna, said that these terrorist actions were "absolutely unjustified and offensive to the dignity of man."

Signor Rumor, the Prime Minister, tonight left for Bologna to follow the inquiries personally.

Some of the injured were holiday-makers, including Dutch and Americans. Many of the passengers were thought to have been Italians working in West Germany.

The dead were too badly burnt for immediate identification.

It is not yet clear whether the bomb was intended to explode in the tunnel as the train was running late. Had it been on time, the bomb would have exploded in Bologna station.

Bologna is the biggest centre of communism in Italy. There might be some reason to

suppose that the terrorists, who are widely thought to belong to the extreme right, aimed at carrying out their massacre in the heartland of the left.

The bomb exploded shortly before the train left the tunnel, which is several miles long.

The attack was timed for the night of the heaviest traffic on the Italian railways, the height of the holiday season. The train—known as the *Italicus* express—was carrying about 1,000 passengers.

The country has suffered a regular blight of bomb explosions amounting now to several hundred, and most are blamed on terrorists of the extreme right.

There can be little doubt that many of these attacks form part of a consistent attempt at creating tension. They have been hindered by the extraordinary firm refusal by a large part of Italian public opinion to react in the way the terrorists desire—in other words, to regard their work as justification for despair concerning the present political system.

The three main trade union federations tonight called on workers throughout the coun-

Signs of a critical decision by Mr Nixon

From Fred Emery
Washington, Aug 4

President Nixon today unexpectedly summoned top advisers and speechwriters by helicopter from Washington to his Camp David retreat, where he had been secluded with his family.

Mr Gerald Warren, the White House deputy press secretary, damped down expectations that an important speech was in the offing. He would not comment, however, when asked whether the President was on the point of a big decision in his struggle against impeachment.

A White House source commented: "These are unusual times." When asked to what the sudden summons could be compared, he said: "What am I supposed to compare it with? The last time he was impeached?"

The group had the appearance of the sort of crisis task force called in by the President when he has made up his mind, and wishes to work it out with his speechwriters.

Those summoned were General Alexander Haig, the White House chief of staff; Mr James St Clair, chief defence counsel; Mr Ray Price, chief speechwriter; Mr Patrick Buchanan, speechwriter and political adviser; and Mr Ronald Ziegler, the press secretary, who has been elevated to be Mr Nixon's confidant.

Washington has been full of rumours these past few days of pressures on the President to resign, and public calls for him to step down temporarily. The latter suggestion was dismissed as "fatuous" on the last occasion that Mr Nixon was quoted in public.

The White House spokesman remains adamant that Mr Nixon has no intention of resigning, but that assertion is based on Saturday's knowledge.

Bomb charges in Birmingham

Several men have been charged with conspiracy to cause an explosion and are to appear before Birmingham magistrates today. Mr Maurice Buck, the city's assistant chief constable, said last night.

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Good times are here again. Zurich-10.00 hrs. Geneva-10.10 hrs.

Zurich. A total of 30 flights a week from London Heathrow, with a new 10.00 hrs. departure daily.

Geneva. A total of 23 flights a week from London Heathrow, with a daily departure at 10.10 hrs. Also twice a week from Manchester, Tuesday and Saturday, at 10.35 hrs.

Basle. Daily at 17.40 hrs. from London Heathrow.

Your travel agent or British Airways shop will tell you more.

British airways

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HOME NEWS

Houses can 'best help' the mentally handicapped

By a Staff Reporter

Mentally handicapped people should be able to live in small groups in ordinary houses, the Campaign for Mental Health argues in a report published today.

Helping such people to live more normally is more humane and cheaper than building even small medical-type institutions, the report says.

Houses, rather than special wards or hostels present a better image to the community and are more satisfying to staff, more acceptable to patients and the organization maintains, offer a more appropriate pattern and better quality of life.

The report, aimed at architects who design environments for people, points out that many specialized buildings already designed will not be built because of the present economic situation.

Money saved on capital costs would have to be channelled into better administration, staffing and service to families.

The report adds: "The Government has so far failed to restate its policy on the support of the mentally handicapped. It has failed to brief architects to understand the environmental needs of mentally handicapped people."

Although the 1971 White Paper encouraged local authorities to use flats and houses more widely, they were tending to fall back to old practices.

"It is difficult to persuade those with experience of hospital patterns that the problems, even though they accept they are not primarily of health, are not best tackled by something resembling a traditional hospital set-up."

Mentally handicapped people are neither "patients" nor "menaces", the report says. They are people with neglected rights, growing and developing, if slowly. Their needs and aspirations are basically the same as those of all of us.

"It follows that the living environment for them should be a home much like anybody else's, not the institutions for the convenience of staff or the architectural masterpieces produced till now."

Homes for Mentally Handicapped People (CMB Discussion Paper 4, 96 Portland Place, London, W1, 29P).

Juvenile crime rising, says police chief

Many people who still regarded crime as the domain of the adult might find that a fresh-faced 10-year-old, Det. Chief Supt. Proven Sharp, head of Devon and Cornwall CID, said yesterday. He disclosed that the proportion of crimes committed by youngsters in his area had risen from 5 per cent to 16 per cent in the first six months of this year.

"The fact is, more than a fifth of all burglaries this year have been committed by juveniles", he said in a report. Statistics showed that children aged between six and 16 were becoming a major factor in the crime pattern.

"The police and social agencies are doing all they can to prevent youngsters getting involved in crime, but in the future, parents must shoulder much of the responsibility for keeping their children out of trouble", Mr. Sharpe said.

His report showed that at Turbury a gang of 18 children aged 11 to 14 were responsible for more than a hundred cases of housebreaking, theft and vandalism.

Battle to save Barnsley bitter engages the interest of serious drinkers

Mr. Mason, Secretary of State for Defence, was striding purposefully up the steps of the residence of the United States Ambassador in London. Equally purposefully striding down them was Sir John Partridge, chairman of the Imperial Group, formerly the Imperial Tobacco Group.

"There followed one or two not unfriendly exchanges. Both are treating seriously the closure of the small brewery and the effect it may have on constituents and customers. The brewery, known as Oak Brewery, was taken over by John Smith, Tadcaster, in a 'voluntary merger' in 1961. John Smith's was taken over by Courage in 1970 and a couple of years later Courage was taken over by Imperial.

At the beginning of 1973 it was announced that Barnsley brewery, first opened in 1888, would be closed within three years and Barnsley bitter, a brew that has sustained millions of south Yorkshiremen, would disappear.

The reason given was that the brewery could no longer be run on an economic basis. Substantial investment was required at Barnsley and at Tadcaster, about 15 miles away, where John Smith's brewery is situated. The company could not justify spending large amounts on two breweries so close to each other and so it was decided to move production and distribution to Tadcaster and close Barnsley.

As might have been expected there was immediate and impressive response from the 'bitter drinkers' of Barnsley. Mr. Mason, then in opposition, collected signatures of nearly

200 MPs asking for an inquiry into the tied house and beer supply system and 11,000 Barnsley bitter drinkers signed a protest petition against the closure. More than ninety licensees signed statements saying they preferred to continue to sell Barnsley bitter rather than the John Smith's brew. The town council of the day at Barnsley added its weight to the protest and even discussed delaying permission to John Smith's for a new public house on a prize near a new factory employing 2,000 people.

Complaints grew noisier at the impending demise of Barnsley bitter. Quick to join battle was the Campaign for Real Ale (CAMRA), the 18,000 member organization, which is dedicated to preserving all that is good and palatable in traditional ale in Britain's pubs.

CAMRA has waged a constant battle against the Barnsley closure and on September 7 proposes to organize a protest march in the streets of Barnsley.

Mr. Gordon Massey, chairman of CAMRA, wrote to Sir John Partridge complaining of the "debasing" of Barnsley bitter and associating this with production and rationalization carried out by large companies.

Sir John agreed that over the years many small breweries had been taken over by larger com-

Members of the legal profession accept new structure in a move to achieve efficiency

Barristers form compromise central body

By Marcel Berlins

Legal Correspondent

The barristers' profession last week slipped into an organizational structure which, it hopes, will make it more adaptable to the increasing demands being made on it. In the interests of efficiency and a better public service the myriad bodies and committees that have traditionally ruled the affairs of the Bar have been streamlined. A central governing body has been set up.

The new structure is a compromise between competing interests, as the cumbersome name of the new authority, the Senate of the Inns of Court and the Bar, indicates. It is based largely on the recommendations of a committee set up in 1971 under the chairmanship of Lord Pearce, a law lord.

"No one set to devise an organization for the government of the Bar, numerically so small a profession, could have invented a system as complicated as that which now exists", the committee reported.

It listed the main defects as lack of centralized control, diffusion of effort, lack of cooperation, and duplication of function, all of which led to serious weaknesses.

The profession, membership of which has only recently topped 3,000, was, until the recent reform, run by four autonomous Inns of Court, a Senate representing all the inns, the General Bar Council, and the Council for Legal Education. It was estimated that 61 separate committees were in existence, some of them, the Pearce report said, "fully, unaware of each other's existence, although they were dealing with the same issues."

Part of the reason was the reserve and even mutual suspicion between the 600-year-old Inns of Court, steeped in legal tradition and conservatism, and the relatively new (less than a century old) organization governing the practising Bar.

During the negotiations on the new reforms, the inns, whose members included judges, barristers, and the thorny issue of accommodation in chambers, fought to retain a great deal of their autonomy, and won a partial victory.

The structure that came into force last week alters the balance towards the younger barristers, and ensures that important decisions affecting service to the public can no longer be made by bodies which, with some justification, could be thought to be badly out of touch with the needs of today.

The new senate consists of 90 members, including the Attorney-General and Solicitor-General. Each Inn of Court appoints four members, and another three, elected by its less senior barristers.

Barristers elect 39 members, at least 18 of whom must be junior barristers, and six of them must have been less than seven years at the Bar. There is also representation for barristers working in commerce, industry, local government, and other such places.

The senate will be responsible for general policy affecting the profession, including training, education, and the thorny issue of accommodation in chambers.

insufficient attention had been paid to the continuing needs of the refugees. A lesson was to be learnt from the provision of an old peoples' home for Polish war refugees near Plymouth.

Another lesson was that dispersal carried out in extreme form led to social isolation. Within Britain there had been a second migration so that people could get the support of their community.

Many of the over-forties were experiencing real difficulty. Wives had had to go out to work for the first time, and there had been a substantial drop in their standard of living.

The report recommends that local authorities should make local housing for council housing so that Uganda refugees are considered on the criteria of need alone.

Workers should be appointed, locally and at the commission, to stimulate agencies in co-ordinating resettlement work. Prison provision varies from footgear, clothing and children's toys to garden equipment, domestic and office furniture. Prisoners may soon be building glass-fibre boats.

Goods made by 2,500 prisoners in Scotland were shown at the Scottish Prison Services Trade Exhibition at Low Moss prison, Bishopbriggs, Glasgow, on Saturday.

Representatives of marketing organizations were among the visitors. Thus, greenhouses, ornamental stonework and garden equipment were displayed in the garden. Inside, there was a wide range of children's toys, industrial clothing and art work from the women's prison at Gretnahead contributed household furniture and children's toys.

Mr. J. Scrimgeour, Director of the Scottish Prison Service, said that turnover last year was £1.2m and was expected to reach £1.6m this year.

He predicted that within a year to 18 months the prison industries would for the first time show a profit. This would be paid into the Exchequer.

The service had a statutory duty to ensure that prison work was part of an offender's treatment, and that the profit motive was not pursued for its own sake.

So far only a tenth of output went into the private sector, although it was hoped to expand that shortly. The bulk went to other prisons and government departments, particularly such items as uniforms for inmates and staff, office and cell furniture.

Making mailbags, the traditional prison industry, might gradually be phased out. Only three prisons produced mailbags in any bulk.

Of the 4,800 prisoners in Scotland, about 2,500 work in prison industries. "It is part of our policy, within the constraints of the prison system, to aim at what we call 'normalization'", Mr. Scrimgeour said.

"The prison environment ought not to be far different from free society."

Prison industries in England and Wales made a profit in 1972-73 of £318,689. The previous year's profit was £513,511.

Sales from farming, gardening, electro-mechanical work, metal work, tailoring and laundering rose from £9.7m in 1971-72 to £10.2m in 1972-73.

Liberal choice

Mr. Tony Linnott, aged 32, a Liverpool barrister, has been adopted as prospective Liberal candidate for the Wavertree division of the city, which is held by Mr. A. D. Steen for the Conservatives with a majority of 5,275.

More help urged for Uganda Asians

By Peter Evans

Home Affairs Correspondent

Normal community service agencies do not have the skills and experience required to meet many of the special needs of Uganda Asian refugees, the Community Relations Commission, a criticism which will grow if right-wing complicity is proved in the bombing of the Brenner express.

The Christian Democrats are in no condition to withstand attacks of this kind. Many of them are aware of the shortcomings of their own party, but there is no agreement on what should be done to give a more convincing impression of the party's capacity to deal with a serious crisis.

This weekend a call was heard from the ranks for a special national congress, a relative of the party and to restore the electoral college. A group of 19 Christian Democratic deputies drawn from all factions yesterday issued a statement which included an appeal for changes at the top, both in the party structure and in representation in the Government.

The disarray in the party and the Socialist attacks arise largely from a feeling that the Christian Democrats, after a quarter of a century of unbroken rule, are dangerously out of touch with a country which has changed.

The result of the divorce referendum in May confirmed suspicions that the Christian Democrats were too far removed from an evolving public opinion. Their attempt at repealing divorce failed and much of their self-confidence was dissipated in consequence.

They will be no more cheered by the results published today of an inquiry which shows that 18-year-olds, the Christian Democrats would be the main losers. While the Christian Democrats took 38.8 per cent of the total vote at the last elections, the survey shows they would attract only 16 per cent of the votes of those aged 18 to 20. The Socialists would receive much the same proportion as at the last general election. The Communists, who polled 27 per cent of the vote, could expect 38 per cent of the young people's vote.

There is one element that might be of some comfort to the Christian Democrats: the older people, because the less they vote for the Communists and the more they turn to the Christian Democrats.

expressed by the Bonn Government spokesman yesterday that the controversy over the setting up of the agency in West Berlin and subsequent East German appeals might be settled. Opposition spokesmen were sceptical about this.

Although the issue will be dealt with by the Transit Commission—an East-West body intended to ease disputes over transit traffic—on Tuesday, it has in fact become a matter for the four powers. Separate but identical Notes have been sent by France, Britain and the United States to the Soviet Government.

The Notes are understood to reiterate in unambiguous terms the allied position on the quadripartite agreement, to reject Soviet and East German ambitions to have a say in matters concerning West Berlin, and to confirm that the FEA was rightly set up in West Berlin and that East German measures against it violate the quadripartite agreement.

Optimism over Britain's talks with Community

Copenhagen, Aug. 4.—Herr Schmidt, the West German Chancellor, who is on a private visit to Denmark, and Mr. Hartling, his Danish counterpart, have both expressed optimism that a solution can be found to Britain's demand to renegotiate membership of the European Community.

Mr. Hartling said after their talks: "I noticed with satisfaction that the British Prime Minister said he was not going to renegotiate the treaty (of accession) but only its conditions, and I think there is therefore a good possibility of achieving positive results.—Reuter."

Mr. Palme gives a warning about détente

Pitea, Sweden, Aug. 4.—Mr. Olof Palme, the Swedish Prime Minister, said today that political and social justice may be the price small nations have to pay for continued détente between the super-powers.

He told a meeting of Social Democrats here. "It would seem that the leaders of the two super powers do not mind if the easing of tensions between them is characterized by a certain conservatism." As self-appointed world peace-makers, the super powers might find it to their advantage to discourage vital social change that they feared might affect politics.

WEST EUROPE

Rumor party shaken by Socialist attacks

From Peter Nichols

Rome, Aug. 4

Signor Mariano Rumor, the beleaguered Christian Democratic Prime Minister, faces another week of trying to press his economic measures through Parliament with at least one cause for gratitude. His Socialist allies now maintain that they did not mean what they said about possibly bringing down the Government, wanting a change of Prime Minister, or intending to force a general election in which they would side with the Communists against the Christian Democrats.

This is unlikely to comfort Signor Rumor for long, however. Despite the growing economic crisis and the continuing threat from political terrorism underlined by the bombing of the Brenner express, there are few signs of resolute and loyal action from within the coalition. Various Socialist statements in the past few days make it quite clear that the party, the second biggest in the Government, is more than usually irritated with the Christian Democrats.

Signor Luigi Mariotti, leader of the Socialist deputies, has accused the Christian Democrats of a "stubborn resistance to change" and an extreme reluctance to introduce urgent reforms because of purely electoral considerations. Signor Rumor is also under attack for having consulted the neo-fascist MSI (Italian Social Movement), a criticism which will grow if right-wing complicity is proved in the bombing of the Brenner express.

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Although the issue will be dealt with by the Transit Commission—an East-West body intended to ease disputes over transit traffic—on Tuesday, it has in fact become a matter for the four powers. Separate but identical Notes have been sent by France, Britain and the United States to the Soviet Government.

The Notes are understood to reiterate in unambiguous terms the allied position on the quadripartite agreement, to reject Soviet and East German ambitions to have a say in matters concerning West Berlin, and to confirm that the FEA was rightly set up in West Berlin and that East German measures against it violate the quadripartite agreement.

Optimism over Britain's talks with Community

Copenhagen, Aug. 4.—Herr Schmidt, the West German Chancellor, who is on a private visit to Denmark, and Mr. Hartling, his Danish counterpart, have both expressed optimism that a solution can be found to Britain's demand to renegotiate membership of the European Community.

Mr. Hartling said after their talks: "I noticed with satisfaction that the British Prime Minister said he was not going to renegotiate the treaty (of accession) but only its conditions, and I think there is therefore a good possibility of achieving positive results.—Reuter."

Mr. Palme gives a warning about détente

Pitea, Sweden, Aug. 4.—Mr. Olof Palme, the Swedish Prime Minister, said today that political and social justice may be the price small nations have to pay for continued détente between the super-powers.

He told a meeting of Social Democrats here. "It would seem that the leaders of the two super powers do not mind if the easing of tensions between them is characterized by a certain conservatism." As self-appointed world peace-makers, the super powers might find it to their advantage to discourage vital social change that they feared might affect politics.



Firemen and nurses remove the victims and wounded from the charred coach of the Rome-Munich train, after a bomb explosion which killed 12 passengers and wounded about 40.

Paris blasts may be work of Palestinians

From Charles Hargrove

Paris, August 4

French police have been unable so far to identify those responsible for three almost simultaneous bomb attacks in Paris on Friday night. One took place in front of the independent right-wing newspaper L'Aurora, near the Bourse; another in front of the extreme right-wing weekly Minute, near the Gare de l'Est; and the third at the headquarters of the Unified Jewish Social Fund, a non-political cultural and educational organization whose president is Baron Guy de Rothschild.

A fourth explosive device, left in a parked van in front of the building of French television on the Rue de l'Université on the Left Bank failed.

Only two people were injured slightly by the explosions, both passers-by, but material damage is extensive. At L'Aurora the force of the blast was such that the car containing the bomb disintegrated completely. Windows and stationary vehicles over a wide area were damaged. "The blast was fantastic", a witness said.

A few moments before the blast a woman phoned the French press agency offices a few hundred yards away and said: "I have a message for you. An explosion is about to take place at L'Aurora."

At the offices of Minute, on the Avenue Marceau, the last members of the staff were just leaving when the explosion occurred. "A fortnight ago", M. François Brigneau, editor-in-chief, said, "we put out another number on the influx of North Africans into France. As a result, we received the usual letters of insults and threats; and last Monday a phone call warning us that a bomb would go off at four. We did not pay too much attention to it."

Two other newspapers were threatened with bomb attacks on the same night, the Parisien Libéré and the sporting newspaper L'Equipe.

The only thing that the police have to go on is the fact that the four vehicles involved in the attacks were all hired from a car hire agency in Paris on August 1 by a man described by the garage attendant as a medium height, dark, and somewhere between 35 and 40.

The deposit was paid on the vehicles by means of a stolen cheque on a post office account. The attacks are probably the work of a Palestinian terrorist organization. They all have in common the fact that they were carried out against Jewish or pro-Jewish organizations or newspapers.

L'Aurora has never made any secret of its pro-Israel sympathies or of its hostility to the Arab cause; and Minute has violently condemned mass immigration from North Africa.

Portugal cancels suspension of newspapers

From Our Correspondent

Lisbon, Aug. 4

The Portuguese press has won its first victory over the authoritarianism of the Ad Hoc Commission was appointed in June to supervise its contents. After at least six newspapers had been fined or suspended by the commission for breaches of new press regulations, the editors of three evening newspapers persuaded the Government at the weekend to rescind a decision to suspend A Capital, Diário de Lisboa and Republica.

On hearing of the suspension last Thursday, Diário Popular, Lisbon's fourth evening newspaper, stated it would not publish, and the weeklies Expresso and Sempre Fixe expressed their support for the three dailies.

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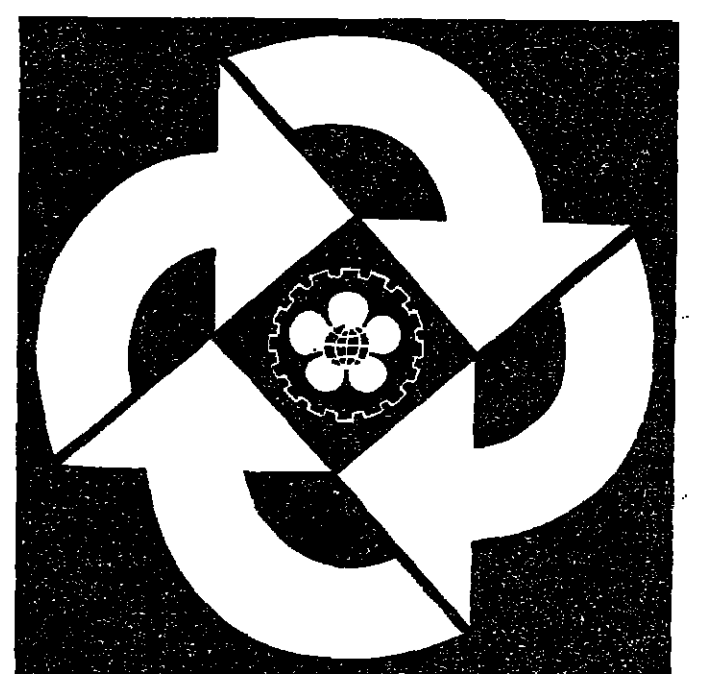
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OVERSEAS

Greeks and Turks both threaten to boycott next round of peace conference in Geneva

Athens, Aug 4.—President Clerides of Cyprus discussed the situation on the island and the next round of the Geneva peace conference with the Greek Government today.

He met Mr Karamanlis, the Prime Minister, and then had talks with Mr Stavros, the Foreign Minister, and Mr Averoff, the Defence Minister.

Afterwards, Mr Stavros told reporters it was still not certain that Greece would attend the Geneva conference due to resume on Tuesday. The object of the meeting is to find a lasting solution to the political and constitutional problems of Cyprus.

Greece has threatened to boycott the conference unless Turkish troops withdraw from areas occupied since July 30, when Britain, Greece and Turkey signed the ceasefire agreement.

Mr Stavros said the Greek position on Cyprus was "no enosis (union of Cyprus with Greece), no partition, no federation." He added: "The system the people of Cyprus choose will be their own affair."

Both Mr Clerides and Mr Rauf Denkash, representing the Turkish Cypriot community, are to attend the next phase of the Geneva conference. Mr Stavros said the two Cypriot delegations would join the conference two days after it reopened.

Major-General Erchimios Karayannis has been appointed to command the Cyprus National Guard, replacing Lieutenant-General George Denisis who commanded the Greek-officered force when it staged the coup that overthrew President Makarios. General Karayannis was present at some of the discussions with Mr Clerides today.—Reuter.

Ankara, Aug 4.—Mr Ecevit, the Turkish Prime Minister, said today that Turkey might not take part in the Geneva talks if the agreement already reached is not applied.

He said thousands of Turkish Cypriots were being held prisoner by the Greeks or were "interned in their enclaves" on the island. He told a press conference: "There would not be much point in going on with our talks under these circumstances. We would have to consider things on the eve of the negotiations."

Mr Denkash met Mr Ecevit today to draft the political position in Cyprus. Under the proposal the two Cypriot communities would have autonomous local administrations and would be represented in a federal parliament.—AP and UPI.

Paul Martin writes from Nicosia: The Turkish forces in Cyprus have continued to occupy more territory, thus further complicating the task of the four-man military commission set up to draw the ceasefire line.

The four officers—from Britain, Greece, Turkey and the United Nations—have made little headway. They held their second meeting today and began the aerial reconnaissance intended to define the line.

Basic differences appeared between the Greek and Turkish officers on the interpretation of the ceasefire agreement. The Turk maintained that the line now held should be regarded as the ceasefire line. The Greek pointed out that the Turks had made territorial advances since the agreement.

Colonel Jerry Hunter, the British representative on the commission, said today's meeting was confined to an attempt to establish the present positions. "Once we have done that then we can set about trying to define where the Turkish army stood at the time the ceasefire came into effect. The first line would not prejudice future discussion."

Leading article, page 13



Ladies with lamps: The first two women coal miners in Illinois, Annette Brantley, aged 24, left, and Jeanie Beeman, aged 26, ride the elevator down to the coal face in Pawnee.

King Husain meeting is denied by Mrs Meir

From Moshe Brilliant Tel Aviv, Aug 4

Mrs Golda Meir, the former Prime Minister of Israel, tonight denied an American television report that she had consented to a meeting with King Husain of Jordan to King Husain at a secret meeting a fortnight before she retired.

A spokesman at the Prime Minister's office in Jerusalem announced that Mrs Meir had said that May 27, the date given in the report, she had been engaged in negotiations with Dr Henry Kissinger, the American Secretary of State, about a disengagement agreement with Syria.

However, Mr Haim Landau, an opposition deputy in the Knesset, said tonight he had information from a very reliable source that Mrs Meir had met the King at the end of May. He did not know the precise date and could only speculate about the content of the talks. His party, Likud, requested an urgent debate in the Knesset.

The issue was raised in the Cabinet today, but a blackout was imposed on details.

Tel Aviv, Aug 4.—A senior Israeli Army officer today delivered another warning that hostilities might resume in the Middle East.

The commander of the Armoured Corps, Major-General Moshe Peled, said: "Hardly have the reverberations of the Yom Kippur war died away and already we are on the threshold of the concrete possibility of a new campaign."

General Peled was addressing graduates of an officer training course "somewhere in the south".—Reuter.

Jordan minister for US talks on disengagement

From Our Correspondent Amman, Aug 4

Mr Zeid Rifai, the Prime Minister of Jordan, flew to Washington today to exchange views with Dr Kissinger, the United States Secretary of State, over the disengagement of forces between Jordan and Israel.

Of the three Arab countries who lost territory in the 1967 war, Jordan has been left out of the American-sponsored disengagement of forces. Dr Kissinger did not negotiate a disengagement agreement for Jordan, which even though it did not take part in the October war, it was concerned with the Middle East peace conference.

Before taking off from Amman airport today, Mr Rifai told reporters: "If, in my talks with Dr Kissinger, I found out that disengagement of forces between Jordan and Israel was impossible to achieve, my Government, as King Husain has previously declared, would not find any reason for Jordan's participation in the forthcoming Geneva peace conference."

Move to end US embargo of Cuba

From Fred Emery Washington, Aug 4

A renewed attempt to make Congress end the 12-year trade embargo on Cuba was announced at the weekend by Senator William Fulbright, the chairman of the Senate foreign relations committee. He spoke after the release of a committee report pronouncing the past 12 years of American attempts at isolation of the island a failure, and saying that Cuba was on the verge of becoming "a socialist showcase in the Western hemisphere".

The committee report was written by Mr Pat Holt, the committee staff chief and an expert in Latin American affairs who with reluctant permission from Dr Henry Kissinger, the Secretary of State, has just visited the island. He is the highest ranking officer of any branch of the United States Government known to have been to Cuba since 1960.

Mr Holt is no starry-eyed tourist. He discounts the exaggerations of the highest Cuban officials he met and fully appreciates the massive Soviet help. Nevertheless, he came away impressed.

With the help of massive assistance from the Soviet Union, and high world commodity prices, the Cubans are on the verge of making their system work—that is to say, of "constructing a socialist showcase in the Western hemisphere".

Since the old American policy has failed, there has to be a change, he insists. Only the "impression", he reports discreetly, was given by leading Cubans that they would welcome a change in relations with the United States, but lifting the trade embargo is their *sine qua non*, he states.

Mr Holt meets objections by trying to lay them as bogies, even though they are most often cited by Dr Kissinger as reasons for holding Cuba at arm's length. "Cuban support of revolutionary or insurgent movements elsewhere in Latin America has been at a minimum—one might even say trivial—level for years in other than an ideological sense. Cuban policy now recognizes that there is more than one road to... economic development."

This does not imply an echo of Yugoslavia, however. Mr Holt says he was specifically cautioned against expecting that. He adds: "And the visitor makes the mental note of certainly not while Cuba is dependent on the Soviet Union to the tune of \$550m to \$600m a year."

Mr Holt cites Cuba's own statistics with circumspection. "They already have the highest per capita gross national product in Latin America, with the possible exception of Venezuela." He notes the claim that it was about equivalent to \$1,587 (\$660) per capita.

Socialist accounting peculiarities must be discounted, "but if those figures are exaggerated by a factor of two or three they are still impressive" and were "supported by impressionistic observation of the Cuban standard of living."

Mr Holt notes the police state organization of society and the economy. "But there seems to be a feeling that the worst is past," he writes. "Cubans have survived the efforts of the United States and of anti-revolutionary exiles to overthrow the revolution. There is a feeling of greater security."

Despite the wish for change, however, President Nixon is the one man least likely to have an interest in it. Needing conservatives for his impeachment salvation, he is hardly likely to risk their anger for a profitless cause.

There may be realism here over détente with Peking and Moscow, but to many Havana is too close and still too emotional a matter to be injected into the present political situation here. It will probably have to wait for a change in President.

Faisal pledge to Egyptians after naval manoeuvres

Cairo, Aug 4.—President Sadat and King Faisal of Saudi Arabia today watched naval manoeuvres off Alexandria. Later King Faisal pledged full support to Egypt.

The Middle East News Agency said about 50 vessels, including destroyers, submarine chasers, minesweepers, and gunboats equipped with surface-to-surface missiles took part in the three-hour exercises.

President Sadat and King Faisal watched from the yacht Al Horreya, which once belonged to King Farouk.

The manoeuvres began with the gunboats firing missiles at mock targets and destroyers firing anti-aircraft guns and depth charges.

The destroyers had taken part in the Egyptian blockade of Bad el Mandab Strait, the southern gateway to the Red Sea, during last October's war against Israel.

The destroyer Nasser foiled a mock air attack and then gave chase to an "enemy" submarine.

Formations of Egyptian jet fighters later escorted the destroyers and other vessels back to their bases.

At the end of the manoeuvres, Admiral Fuad Zikri, commander of the Egyptian Navy, presented King Faisal with the shield of the naval forces.

In reply King Faisal said: "We hope that God will realize our hope of defeating the enemy. We are with you and support all you do."

Egyptian newspapers said King Faisal is to make a gift of £400m to Egypt in appreciation of the sacrifices made by the Egyptian people.

In addition the Saudi Arabian Government is to lend Egypt £200m free of interest.

King Faisal has also thrown his support behind Egypt in the face of mounting criticism of its attitude towards the Palestinians.

The King was quoted yesterday as praising President Sadat for persuading Jordan to recognize the Palestine Liberation Organization (PLO).

In a joint communiqué last month, after talks between President Sadat and King Husain of Jordan, the two sides recognized the PLO as the legitimate representative of all Palestinians except those living in Jordan.

This caused strong reactions from Palestinians and Arab countries, including Libya, which claimed that the communiqué went against last November's Arab summit decision on the PLO.

According to the newspaper Al-Ahram today, King Faisal said: "We ought to thank President Sadat, who rendered the Palestinians the biggest service by recognizing the PLO as the legitimate representative of all Palestinians except those living in Jordan."

During talks with King Faisal President Sadat outlined the latest developments in the Arab world and the outcome of his talks with President Nixon in Cairo last June. He said the American attitude had changed only because of "great Arab achievements" after last October's war with Israel, Al-Ahram said.—Reuter, UPI.

Cholera deaths swell flood toll in Bangladesh

Dacca, August 4.—The authorities here reported 119 more deaths in the course of the day, making the death toll 517 on the forty-ninth day of massive flooding in Bangladesh.

One hundred died of Cholera in Mymensingh and 16 others drowned in Comilla and Mymensingh. The overall flood situation grew worse.

Millions marooned in isolated areas were being moved to safer zones by the army and other agencies deployed by the Government of Sheikh Mujibur Rahman. The shahs flew over the flooded areas today. Floodwaters were reported to be lapping over some main streets in Dacca.—AP.

Dispute on London flights cripples Air India

From Michael Hornsby Delhi, Aug 4

Air India, the Indian international and domestic airline, was crippled over the weekend by a management-ordered lock-out of more than 200 pilots, who had been called out on strike by the Indian Pilots' Guild.

The strike was in protest at the suspension of 10 pilots who had refused to accept a re-arrangement of crew schedules, introduced last week to save money on flights between India and Britain.

Operating on the so-called "slip" system, the new schedules mean that air crews on Bombay-London flights would make a round trip with only brief stop-overs at places on the way.

Hitherto, many pilots have been posted to leave the country each year to London. These "postings" are much prized because pilots receive their pay in foreign exchange and also have access to consumer goods not available in India.

The Indian management said today that the lock-out would be lifted for those of the striking pilots prepared to give a written undertaking that they will return to duty under the "slip" system.

The spokesman added that with the aid of executive pilots, it was hoped to operate one jumbo jet daily to London.

Hostile tone of Western broadcasts alleged by Russians to be a reason for restrictions

Soviet attack on BBC 'propaganda'

From Edmund Stevens Moscow, Aug 4

A recurring Soviet argument against lifting restrictions on the exchange of ideas and information is that Russian language broadcasts to the Soviet Union by Western radio stations have a consistently hostile slant.

This, the Russians say, is not in accord with the spirit of détente and East-West cooperation. They claim that they made a goodwill gesture in discontinuing the jamming, but the West has not responded by toning down the contents of its broadcasts.

Western rejoinders to the effect that there is no way of exercising censorship of radio stations cuts little ice. The Russians say that the American-sponsored Radio Liberty, which broadcast from Munich, masquerades as a private enterprise, but is actually supported by Government subsidies, while the Voice of America, Deutsche Welle (German Wave) and the BBC are all Government operated.

Although Radio Liberty is considered the worst offender, with Deutsche Welle a close runner-up, the USSR has recently for a violent attack not in the central Soviet press, but in the *Turkmenkaya Iskra* in Ashkhabad in central Asia. The provincial press, especially in remote areas like Turk-

menistan, is less inclined to pull its punches because of détente.

The author of the attack, described as M. Soloviev, a doctor of philosophy, quotes James Monahan, a former BBC personality, as saying that radio is the one effective means for disseminating anti-communist propaganda inside the Soviet Union and other Eastern block countries. The author described the BBC as a radio and television giant, with a staff of more than 28,000, which beams its vicious propaganda "all over the world from Bush House in London."

The main thrust of this broadcasting, the article maintains, is against communism. A programme analysis, according to Dr Soloviev, discloses four distinct lines of approach.

The first is the fight against communism and the "progressive, anti-imperialist forces" within the British Isles. The second is designed to exert ideological influence over countries of the Third World, with special reference to the former British colonies. The third aspect is said to be propaganda advertising life in the free world, and the fourth is systematic slander of the Soviet Union and other socialist countries.

The heads of the BBC, Dr Soloviev goes on, cannot forgive the fact that the break-up of their colonial empire was largely due to the influence of

the October Revolution on deplorable peoples and the establishment of socialism as a world order.

"Having forfeited its leading role in the international anti-communist block to the United States, British imperialism nevertheless aspires to the role of ideological leader in the struggle against communism. Their eagerness to head the anti-communist crusade determines the activities of the British Broadcasting Corporation."

The writer claims that the BBC, lacking any positive ideals with which to attack communism, resorts to dirty methods: deceit, misinformation, slander, exploitation of national and religious prejudices, and appeals to the baser instincts. Dr Soloviev asserts that the "provocative role" of the BBC in Hungary in 1956 and in Czechoslovakia in 1968 are common knowledge.

However, he concedes that the BBC operates a more intellectual level than its counterparts. The Russian language programmes of the Voice of America, he says, are primarily intended for naive listeners without political knowledge. Like Radio Liberty and Deutsche Welle, it uses the direct and elementary impact of tendentious and distorted facts, but the BBC appeals to more sophisticated listeners, especially those with a higher education.

Vorster threat to press forces self-control plan

From Our Correspondent Cape Town, Aug 4

The Newspaper Press Union, the association of newspaper proprietors, has shocked and dismayed South African journalists by proposing strong self-disciplinary measures in an attempt to stave off legislation to curb the press.

The proposal was disclosed today in the Johannesburg *Sunday Times*, which reports that the NPU has agreed to amend the constitution of the Press Council to enable it to impose fines of up to 10,000 rands (about £6,700) on newspapers which it finds guilty of provoking "racial incitement" or other offences.

The newspaper reports that South African editors have been consulted about the amendments but are deeply averse to the decision. The decision was taken by the employers without consulting the South African Society of Journalists, the only registered body representing journalists in the country.

This unprecedented move by the employers is in response to a threat by Mr Vorster, the Prime Minister, that he will introduce legislation to curb the press if it "does not put its own house in order."

The *Sunday Times* says that rumors of the NPU's move began circulating in Cape Town last week on the eve of an editors' conference which discussed the future of a free press in South Africa.

The newspaper adds that the NPU's scheme would, in effect, force editors and reporters to impose self-censorship because even the courts have in the past found it difficult to define "incitement."

Mr Hans Strydom, president of the Society of Journalists, said the society was gravely concerned because it was not consulted. Branches of the society would meet soon to discuss what action to take.

S African churches anger Government

From Our Correspondent Cape Town, Aug 4

A confrontation is threatening between the South African Council of Churches and the Nationalist Government over the adoption of the council's resolution condemning conscientious objection.

It was adopted as South Africa faces the prospect of increased guerrilla activity on its northern borders, and could lead to the prosecution of the council.

At the weekend Mr Vorster, the Prime Minister, warned the council that it was "playing with fire" and Mr P. W. Botha, Minister of Defence, said his department was taking legal opinion on the resolution.

The resolution will have no validity until it has been ratified by the member churches of the council which include the churches in South Africa except the Dutch Reformed churches and the Roman Catholic Church.

The resolution argued that

the theological definition of the war excluded it in defence of a basically unjust and discriminatory society and contended that South Africa was such a society.

Churches were urged to ask their members to consider the coming conscientious objectors and it commended the courage of those who had been "willing to go to jail in protest against the unjust laws and policies in our land."

It seems unlikely that all member churches will ratify the resolution as it stands. While there will be support for bona fide conscientious objectors, there is likely to be controversy about many clauses in the resolution.

Most churchmen have said they want to study the text of the resolution before commenting. The Right Rev John Carter, Anglican Suffragan Bishop of Johannesburg, declined yesterday to say whether he would support the resolution from his own pulpit.

Mr Vorster is expected to outline the Government's atti-

tude to the resolution during the traditional debate which starts in Parliament tomorrow.

The resolution is attacked in Nationalist newspapers as appearing to condone terrorism by anti-South African guerrillas and to question the morality of military defence against terrorism.

Mr W. Vause Raw, defence spokesman of the opposition United Party, said yesterday that encouraging refusal of military service went beyond legitimate political criticism. He condemned churchmen who sought to give terrorism a "cloak of sacrilegious respectability."

The resolution was moved by the Rev Douglas Bax, of Umav, and seconded by the Rev Dr C. F. Beyers Naude, director of the Christian Institute of South Africa. Dr Beyers Naude said yesterday he was prepared to face conviction and imprisonment if the Minister of Defence decided to prosecute.

Fighting flares up in new campaign by Vietcong

Saigon, Aug 4.—Widespread fighting was reported in South Vietnam today as communist forces appeared to have opened a new front, military sources said.

Radio communications were lost with five Government outposts in Quang Ngai province near the central coast. One base was evidently overrun.

In a bitter exchange of Notes between the South Vietnamese Government and the Provisional Revolutionary Government (Vietcong), each side blamed the other for the fighting.

The Government said that the Paris agreement concluded 18 months ago to end the fighting, would be considered torn up by the communists if Government-held towns fell in the present campaign. The Vietcong said that the warning was slanderous and insolent.

Fighting was also reported in Binh Dinh province where,

according to the Saigon command, 87 communist troops had been killed. Government casualties were given as five dead and 20 wounded.—Reuter.

Da Nang, Aug 4.—North Vietnamese and Vietcong forces have overrun 10 Government positions and heavily shelled others along South Vietnam's northern coast, field reports said as fighting in the region continued for the nineteenth consecutive day.

Reports said an eleventh position, a South Vietnamese base camp in the Que Son valley, 30 miles south of Da Nang, was heavily shelled and then attacked by infantrymen. Radio contact was lost for more than 12 hours.

The 10 positions overrun were of platoon and company size, manned by about 30 to 100 Government troops. They were near the besieged district town of Duc Duc and in Quang Ngai province.—AP.

TV hearings increase opposition to Mr Nixon

From Our Own Correspondent Washington, August 4

The opinion poll majority favouring President Nixon's impeachment and removal from office has jumped dramatically since the televised proceedings of the House judiciary committee.

The Louis Harris survey, out today, reports a 66-27 per cent division in favour of impeaching and sending the President for trial, and a 56-31 per cent division favouring conviction by the Senate.

This compares with the respective figures of 53-36 per cent, and 47-34 per cent in samples taken before the House judiciary committee hearings concluded by recommending three articles of impeachment.

Before the poll findings were released, Vice-President Ford abandoned his faith that Mr Nixon would escape impeachment in the House. Speaking in Hattiesburg, Mississippi, at a press conference, Mr Ford admitted the "odds are that he may be impeached." Mr Ford said he still hoped the President would be acquitted. But in New Orleans today he said that if he had to make a choice between impeachment and censure he would vote to censure Mr Nixon.

A measure motion containing damaging accusations against the President is being circulated in the House lobbies by hard-core Nixon supporters as an alternative to the political "capital punishment" of impeachment.

It has no hope of passage, and Mr Ford's endorsement seems startling it must be taken that it is only a wistful look at averting impeachment. Mr John Rhodes, House Republican leader, signed the petition for censure, but only to have it voted down. Mr Rhodes has called a news conference for tomorrow morning that is eagerly awaited.

His colleagues in the Senate, Senator Robert Griffin, Republican Whip, has written to President Nixon warning him he would vote to convict him if he persists in his refusal to surrender subpoenaed tapes and documents at the Senate trial.

The poll sample increases seem to reflect the powerful impact of the televised debates. It has been estimated that 45m people watched the final evening, during which the President's taxes and home improvements were so scarily dissected.

President Nixon's preparations, if any, are unknown. He is away at Camp David, accompanied only by his family, and Mr Rebozo, his closest friend, who has been sleeping overnight at the White House for the past week.

Newspapers are replete again with the financial losses Mr Nixon faces if convicted by the Senate. And Mr R. W. Apple, *The New York Times* Political Editor, reports Mr Donald Regan, chairman of Pepsi-Cola, and a close friend of Mr Nixon urging the President to weigh carefully his potential ruin before finally deciding his course.

This is a reflection of the wish among a good number of Republicans who would like to see President Nixon go. But there has been no the slightest sign he intends abandoning his fight to the last senator.

Mr Nixon's principal loss upon conviction would be his presidential pension of \$60,000 (£22,000), Mrs Nixon's potential wage of \$20,000 a year plus \$96,000 a year for life for staff and office expenses.

MALE
AGE GRA

Tony Miles off to good start in world chess

Manila, Aug 4.—Tony Miles of Britain and Adam Kuligowski of Poland both scored impressive victories in the opening round of the World Junior Chess Championship in Manila today. Two other strong contenders, Alexander Kochev of the Soviet Union and Slavoljub Marjanovic of Yugoslavia, had to settle for draws in their games.

Miles, who was runner-up in last year's championship at Teesside, crushed David Bernstein of Israel in 29 moves. Some 30 players, all aged 20 or under, are competing for the title.—Reuter.

34 holidaymakers drowned in Japan

Tokyo, Aug 4.—Thirty-four holidaymakers were drowned and 21 were reported missing today as a record number of people flocked to beaches and riverbanks across Japan.

ENTERTAINMENTS

When telephoning use prefix 01 only outside London Metropolitan Area

OPERA AND BALLET

COLISEUM 01-835 5161
ENGLISH NATIONAL OPERA
Lynne, at 7.30. *La Traviata*.
Ved. & F. COSI FAN TUTTE. Sat.
Lynne, at 7.30. *La Traviata*.
Ved. & F. COSI FAN TUTTE. Sat.
Lynne, at 7.30. *La Traviata*.
Ved. & F. COSI FAN TUTTE. Sat.

LONDON FESTIVAL BALLET
Lynne, at 7.30. *La Traviata*.
Ved. & F. COSI FAN TUTTE. Sat.
Lynne, at 7.30. *La Traviata*.
Ved. & F. COSI FAN TUTTE. Sat.

SNAPS MALTINGS
Lynne, at 7.30. *La Traviata*.
Ved. & F. COSI FAN TUTTE. Sat.
Lynne, at 7.30. *La Traviata*.
Ved. & F. COSI FAN TUTTE. Sat.

THEATRES
Lynne, at 7.30. *La Traviata*.
Ved. & F. COSI FAN TUTTE. Sat.
Lynne, at 7.30. *La Traviata*.
Ved. & F. COSI FAN TUTTE. Sat.

CONCERTS
Lynne, at 7.30. *La Traviata*.
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CINEMAS

WARNER, WEST END, Linc. St. 439
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EXHIBITIONS
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AGNEW GALLERY
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COLNAGH'S
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CRANE KALMAN GALLERY
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GERALD M. NORMAN GALLERY
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JOSEPH BEUYS
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KAPLAN GALLERY
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MAIR GALLERY
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MARLBOROUGH GALLERY
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MALL ART GALLERIES
Lynne, at 7.30. *La Traviata*.
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PARKIN GALLERY
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ROYAL ACADEMY OF ARTS
Lynne, at 7.30. *La Traviata*.
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SERPENTINE GALLERY
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STOOSHOVEN FINE ART
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THE TATE GALLERY
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THE ARTS



Valerie Masterson

Aix's pseudo-classical fantasy

Opera at the Aix Festival is given out of doors, under the more or less dependably warm Provencal skies, in the courtyard of the archiepiscopal palace: the ideal setting, one might think, for a classical opera like *La Clemenza di Tito*. It is tempting to imagine what might have been, to think of a visual setting that would harmonize equally with the surroundings and the music. The designer here, Oskar Gustin, had other ideas. The opera is enacted against a background of metallic (mostly copper-colored) panels, and high platforms are from time to time trundled on to form two or three additional stages. All this makes communication between characters extraordinarily difficult: some have to dialogue, or even to disappear momentarily in order to return on a different level. Robert Lloyd, standing in as Publius and singing his aria pleasantly firmly, and Eric Tappin, the Covent Garden Titus, who has a good clear masculine style if not quite all the eloquence that the music hints at.

As Vitellia we had the young American, Noelle Rogers, a true soprano but well able to produce the firm low notes needed in "Non più di fiori". The voice is not yet quite focused, but it has some good bright sound with the touch of edge wanted in this role. The Servilia was Christine Chiriac, a sweet-toned but apt to flatten.

There was some excellent choral singing from the Opéra du Rhin choir, but only from off stage; an economy, no doubt, but a costly one in dramatic terms. For the big public scenes demand their proper setting—public pronouncements look faintly silly when made by four principals and four guards. Alberto Gradi drew an accurate but almost completely bland account of the score from the ORF Orchestra Lyrique—judiciously timed and coloured yet devoid of tension.

Tito was a co-production with the Marseilles Opera; this year's other main production, with L'Opéra du Rhin, was *Luís Miller*, an apt festival choice, for it is a work unlikely to find a ready place in the repertoire but worth hearing particularly for its vigorous later scenes. Often the music

La traviata

Coliseum

Alan Blyth

So it is the English National Opera at last. After many years of persistence the company has been allowed to change its name. The late Stephen Arlen who masterminded the move from Sadler's Wells Theatre and who was remembered in the opening performance under its new title on Saturday evening (a bursary has been set up in his name), was the first to agitate for the change, and he would have been delighted that it has now been achieved under his successor Lord Harewood.

At the same time nobody will want to forget Sadler's Wells Opera or its predecessor the Vic-Wells, and an illustrated booklet of the company has been published to recall its history. The pioneers of opera in English, like Joan Cross, Edith Coates, Heddle Nash, Henry Wadsworth, Redvers Llewellyn, Arnold Malters and many, many others will be remembered.

Some of their most distinguished successors made sure that the old standards were not heretofore and that the new name was inaugurated auspiciously. Charles Mackerras, the company's musical director, took time off from the eagerly awaited new *Don Carlos* to conduct just this performance of *Traviata*, and showed once again just how the orchestra has improved over the past years and how well it sounds in the Coliseum. The playing reached heights of beauty and power in the Act II prelude. Then there was Valerie Masterson's *Traviata*. She can lay claim to be the most improved singer in the company over the past couple of years, following her fine Mason last

Monday book

Landscape in a hurricane

The Long View
By Basil Wright

(Secker and Warburg, £6.25)
Even if, to simplify the task, the art of the cinema were suddenly to become extinct tomorrow (and sometimes this begins to look like a distinct possibility) one could still again write a comprehensive critical history of the movies. So much has disappeared without trace. What remains has now become such a huge bulk that no one in a lifetime could ever evaluate it all, and much more than with any other art, critical history is a work of constant re-evaluation as well as evaluation. Something about the making of cinema—the communal character of production, the relation to a mass audience and a specific social moment—makes it peculiarly sensitive to the changes of time. The picture is constantly changing. This year Eisenstein and Clair loom in the foreground; next year it may be Vertov and Hitchcock. Film history is a painting of landscape in a hurricane. *The Long View* is one approach to the impossible task. While fearlessly setting out to range over the whole 79 years, Basil Wright warns us from the start that it will be a personal perspective, the viewpoint of one pair of eyes.

Not just any eyes, though. Basil Wright is one of the treasures of our cinema. He was one of the Young Turks of the British documentary movement of the Thirties, whose leader John Grierson called him "the best cutter in the business". His *Song of Ceylon* is one of the enduring classics and a monument to the best of British documentary; but it is only one film in a whole corpus of work as director and producer (not least of Jennings' great *Diary for Timothy*). He is a distinguished critic, a brilliant teacher, of course. More important, though, he is a movie fan of enthusiasm as unquenchable as any old-time reader of *Pictogram*. Sixty years of movie-going. Grumpy took him when he was six; he has no way to dull his response. He is as acute about Roeg or Fassbinder as on Pudovkin or Murnau.

He makes clear his passions and prejudices from the start. He admits such a blind spot for

David Robinson

BBC SO/Pritchard

Albert Hall/BBC 3

Joan Chissell

Though Beethoven no longer reigns as Friday king, it so happens that four of his works can be heard this season on the time-honoured day, starting this time with the G major piano concerto from Peter Katin and the BBC Symphony Orchestra under John Pritchard.

From the piano's opening phrase, it was clear that Mr Katin was out to respect the music's intimacy. Always his touch was as light as his tone was refined. But so vast an audience, seen and unseen, seemed to be making him a little nervous. The suspicion also

remained that he was perhaps playing the wrong concerto altogether to reveal the best of himself.

His semi-quavers in the first movement, for instance, were as delicate in their rippling as playing demanded by Chopin's Op 11 or Op 21. Even early Beethoven would have suited him better than this music, which for all its lack of demonstration, is more laden, more intense, than Mr Katin suggested. But the slow movement was done with a touching simplicity and purity and he certainly found the playfulness of the rondo theme, though rhythm could sometimes have been better as the finale progressed.

While this work and Mozart's E flat symphony K543 were probably the bull-fillers, the main talking point was Prokofiev's sixth symphony in E flat

minor, inexplicably never previously played at a Prom even though now almost 30 years old. Back home it puzzled the powers that be: here was the "reformed" Prokofiev apparently reverting to the unalloyed lyricism, transparency and joy, there are bursts of dissonance and "unrestrained expressionism", which is to say of doubt and despair.

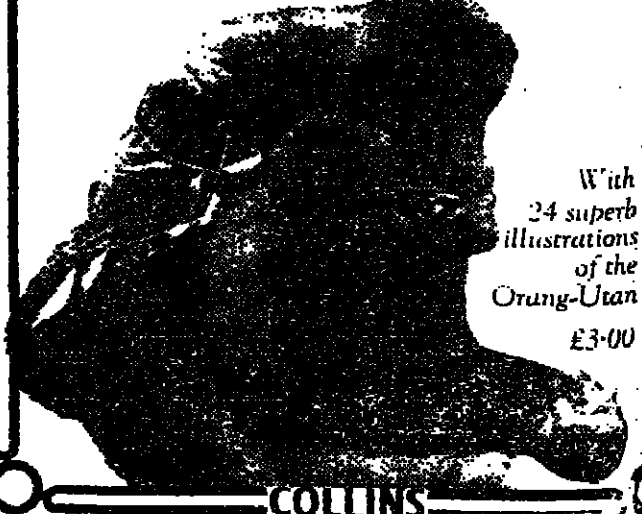
Friday's performance under John Pritchard had undeniable urgency besides bursts of drama but there was little in the interpretation to suggest that Mr Pritchard himself shared the composer's innermost feelings, or that he and the orchestra had given full thought to details of phrasing and balance.

"A vivid adventure story that will grip the imagination" *Sunday Express*

IN SEARCH OF THE RED APE

John MacKinnon
Foreword by David Attenborough

All those who were gripped by the accounts of Schaller among his gorillas, or of Jane Goodall and her chimpanzees will want to share John MacKinnon's adventures.



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COWES WEEK

a Special Report



The river Medina from 5,000ft at Cowes. On the left just above the breakwater is the hovercraft slipway and works, and at the top the new Willment Marina. Bottom right is the Groves and Guttridge marina.

The rich sail on despite sinking pound

by Basil Boothroyd

We have our bad dreams. One of mine is that a rich friend invites me down for Cowes Week, and at too short notice to read up on my bilge keels and clump blocks.

Is one, should the worst happen, invited "down"? It could be "up". "Out", even, though that grimly suggests actually setting foot on a boat. In a boat. If boat is right. See how easily one could look an ignorant fool in those specialist circles.

Given time, I suppose I could grab a crash course from my *Sailing for All*. The book is a yellowing relic of my only active brush with sail, and is still worth blowing a dead spider out of, if only to be reminded that "garboard seams are often attacked by gribble", and that you can cripple a left-handed rope by coiling it right-handed.

There are delightfully arcane diagrams, captioned "Cringle" or "Vang". My favourite is called "A Simple Horse", and I could have done with one of these, plus towing harness, when my brush ended in a mud-bound Broad, on the second day of an intended seven, without even having got the sail up. Water in the outboard, and not the simplest of horses in sight.

You will have guessed that a horse means something different afloat, like so much else in the watery lexicon, whether other animals (hounds, cats, rufles), parts of the body (legs, knees, bellies), or the rest of the mystic miscellany (crooks, fiddles, crutches, flukes, nippers).

It will also be obvious that even with the Norfolk Broads behind me, though not far enough, I am in no position to banter with members of the Royal Yacht Squadron. Even in the homelier reaches of my

manual, where a week's shipboard menus are set out, there is little for confidence. Thursday's supper commends bloater fritters. Their very mention could crack Cowes Castle clean down the front.

My earliest yachting association was with Sir Thomas Lipton, the distinguished grocer who kept failing to win the America's Cup, but was seen everywhere all the same in a white-topped cap and marching trousers, an ideal costume for battling against the elements and one later taken up by all the best poop-going people, including Edward VII, Wilhelm II and, for all I know, Alfonso XIII, though I never saw him wearing it.

Nor that I saw any of the others. The photographers did that. I just saw the photographs. Those of Sir Thomas are the ones I chiefly remember, and I seem to recall he also dignified my cigarette card collection, whether in the Famous Grocers or Famous Yachtsmen series I would not be sure.

When he opened his shop in our home High Street my interest was much sharpened. Though at that age I was not fully aware of society's rigid stratifications, it still seemed remarkable that he should be skilled in butter-rating as well as yachtmanship.

And how did he get around so fast? There he was yesterday in the *Sunday Pictorial*, windswept in the Solent at a kicking wheel; today, Monday, this quick change to a bib apron, cutting cheese with string and telling my mother that it felt like a storm. (Well, he would know.)

I fancy in the end she must have got tired of explaining that although it said Lipton over the shop, this looked much like my cigarette card of the same title (Famous English Swimmers) but nothing blots out the individuality like a uniform.



The world's most important sailing event gets under way.

wind, they may jill, reach, hike, drudge, pinch, ghost, sue, fish, swig down, gripe up, fall off, and lots of other things that don't mean what you'd expect. But becalmed, they oooh.)

I do not ask *Whisper*, etc. above, in any navigational sense. It is just that one wonders how much longer, with the balance of payments gripping up, the pound falling off (with consequent drudging and pinching), and we land lubbers lying all aback with choked luffs and cheque-books carried away—one wonders what the future holds for Cowes Week, the Royal Yacht Squadron and what is generally agreed to be the quickest way of being parted from honest dough since Antonio's argosy nosedived off the Peloponnese.

One wonders, I say. Meaning that I do. They, I imagine, do not. White-topped hats may be priced prohibitively, inferior brass a must for blazer buttons; and who can tell, lacking an armaments catalogue, what Woolwich Arsenal is asking for starting-gun ammo these days? But the rich, whether old or new, are great survivors.

There may be small economies, but men of true wealth have always observed these—make do, perhaps, with last year's trousers; prefer to compete in the shorter races, thus keeping the gribble out of your garboards. But cutting down on actual yachts looks unlikely.

If only because, I see from a recent economic survey that should put heart into us all, the builders of yachts are at their wits' end to clear their order books. "There is a waiting-list of nine months to a year", said a worried spokesman, "on the bigger boats costing up to £120,000."

So let the rest of us put that in our wangs and cringle it. Bloater fritter, anyone?

Fearsome combination of erratic winds and tides

by John Young

One of the most dreadful places imaginable to sail "om". So a local yachtsman recently described Cowes. He is exaggerating, but what he meant was that it has few of the natural advantages that you look for in a sailing centre. In a sense it owes its pre-eminence to historical accident and perhaps to royal patronage—Queen Victoria liked it and so did the Prince of Wales, and so does the Duke of Edinburgh.

To begin with, Cowes is an island, which complicates access. The limited space on the elderly piers which ply to and from Southampton is heavily booked during the summer, most people have to hump their suitcases and duffels aboard and take care to miss the last boat back Sunday nights.

The town itself lacks any real charm or architectural distinction; many of the back streets have a mean, almost pocked look, reflecting their-than-average unemployment and the scarcity of houses outside the boatbuilding and associated industries, which in any case are not nearly so renowned for generous wages. The main holiday trade is to the south and east, around Ventnor, Sandown and Shanklin, and the silly people who retire to island tend to live in places like Sea View and Ambrose.

Most of the regulars who sail from Cowes at weekends are members of clubs where they can stay. Elsewhere accommodation is strictly rationed, and during Cowes Week it is especially in short supply. So, for that matter, are restaurants and places of entertainment. The local Chamber of Commerce is hot under the collar at suggestions that hotels, pubs and restaurants exploit the situation by raising their prices excessively, but it would be difficult to advise a visitor who has not served a sharp increase in the cost of living during the season.

The four long-established clubs which are basically responsible for running Cowes Week—the Royal Yacht Squadron, the Royal Corinthian, the Royal London and the Island Sailing Club—have neither the facilities nor the inclination to play host to thousands of yachtsmen, their families, friends and onlookers.

You can scarcely blame them, but the result is an atmosphere of exclusiveness which is not found at other regattas. There are cocktail parties and balls galore, the traditional extension of the season, but the few of a visiting French sea-racer are unlikely to

be on the receiving end. If an Argentine strolled into the Squadron and ordered—assuming he got past the guardian at the gate—a gin-and-tonic and a ham sandwich, he would cause near apoplexy among the members.

Perhaps the most surprising thing about Cowes, however, is that it is not particularly well endowed from the sailing point of view. Compared with the fairly sheltered, tideless bays of the mainland coast, like Torbay, Weymouth and Poole, the Solent offers a fearsome combination of erratic winds and tides.

Not only does the tide ebb and flow through both the eastern and western entrances, creating the effect of a bath being alternately filled and emptied at both ends, but the wind can and does blow in several different directions at once. I have seen two fleets of boats approaching each other from opposite directions, both groups carrying spinnakers with the wind astern.

These freak characteristics inevitably reduce the options available to helmsmen charting a course between buoys; frequently they have no choice but to play follow-my-leader along whichever shore affords the most favourable current. There is probably nowhere else in Britain where conditions

place a greater premium on local knowledge.

For all these reasons Cowes is nowadays seldom considered as a venue for important championships. Cowes Week itself at one stage threatened to decline, like several other once famous British regattas, into a parochial occasion attracting only local support.

What saved it was the great boom in offshore racing which began in the late 1950s and which was marked by the instigation in 1957 of a biennial international series named the Admiral's Cup. The organizing body for this new event was the Royal Ocean Racing Club, a London-based institution which, although it could scarcely be described as dynamic or radical, did manage to blow a good many of the cobwebs away.

Not everyone appreciated this new development. Many offshore enthusiasts had reservations about the choice of Cowes as the permanent base for what was to develop as the world's most important sailing event, and the local clubs were characteristically slow to respond to change. They showed little understanding of public relations, and officials appeared to regard journalists—not just the gossip columnists but the yachting press as well—as unwelcome intruders upon their privacy.

Slowly, however, things began to improve. A combined clubs committee was established to coordinate organization, until then competitors had to submit separate entry forms to each of the clubs holding regattas during Cowes Week. Computers were introduced to calculate handicap performances and to print out results; a belated acknowledgment that not only newspaper readers but the contestants themselves should not have to wait until the following evening to see how they had fared.

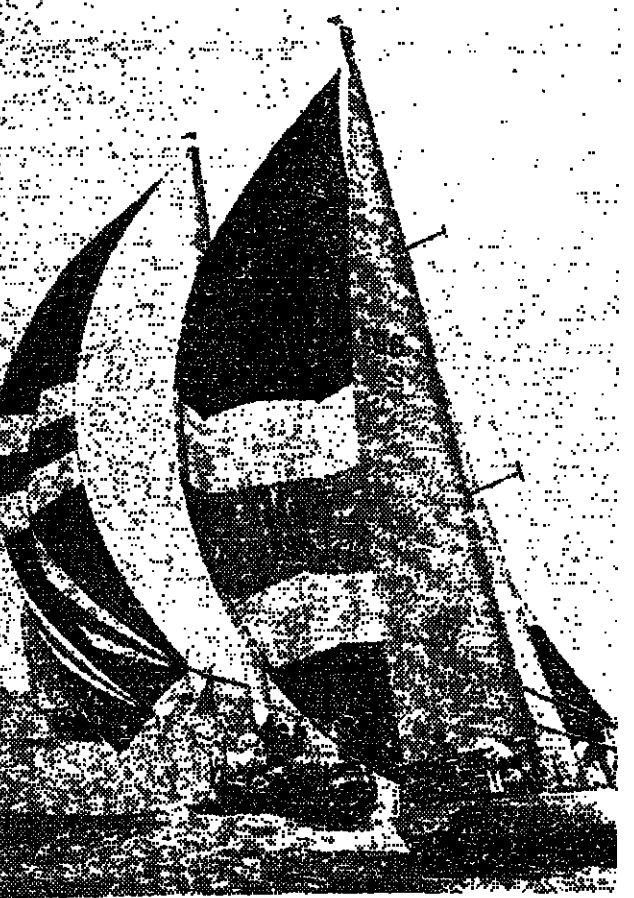
One of the most important steps was the decision two years ago to allow sponsorship from Dunhill, the tobacco company. There were mutterings from the old guard, but most people sensibly realized that financial and organizational assistance was badly needed. A motion deploring the move was put to a meeting of the Island Sailing Club and defeated heavily.

In return for the publicity Dunhill has provided extra launches and committee boats, improved communications and extra printing and catering facilities.

The shortage of moorings has been eased by the provision of three new marinas, two of them owned by local boatyards and the third by a syndicate of wealthy yachtsmen. The last of these has largely replaced the famous Trots, a series of posts at the entrance to the River Medina, where boats used to tie up alongside each other—a sociable but not always particularly convenient arrangement. The marinas have also helped to ease the shortage of accommodation by encouraging more crews to live on board their boats.

More undoubtedly needs to be done, but the question is what and how much. There are plenty of developers who would dearly love to take on the task of transforming the waterfront, but the local council has shown an understandable wariness. The property men argue that development will mean more visitors; the councillors argue that the last thing they want is to see a marine industry, however small, replaced by luxury flats and cottages for weekend yachtsmen.

After all, it should be remembered that Cowes Week is a once-a-year event, and that the local people like to keep it in perspective. Though it has its shortcomings, the organizers as a whole do not manage too badly. And, judging from the ever growing numbers who participate every year, most yachtsmen—perversely perhaps—rather like Cowes the way it is.



Freakish sailing conditions limit the options available to helmsmen.



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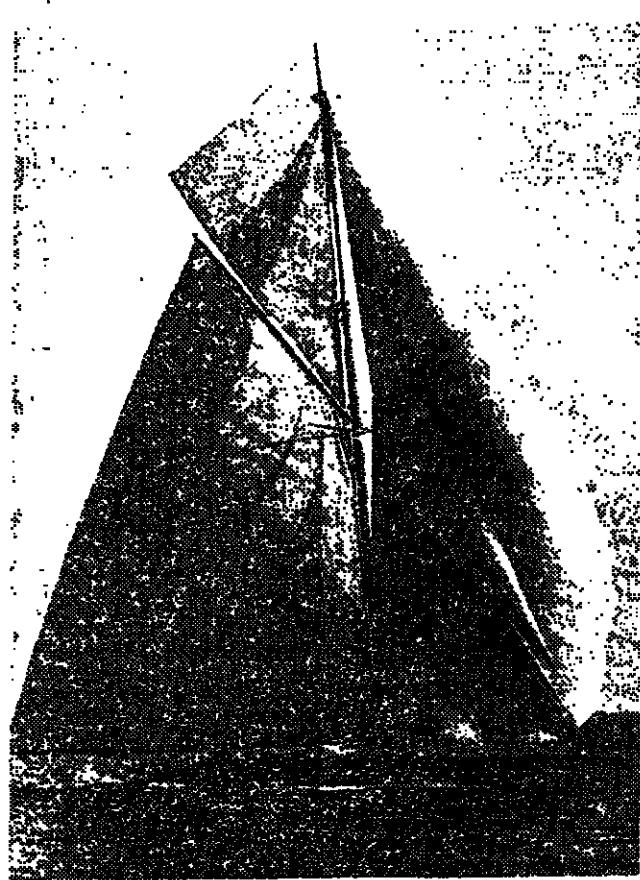
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A good name to sail with.

Shamrock, Yankee, Endeavour and Britannia—beautiful and vulnerable—some of the great yachts of the 1930s. Their hired crews, wearing uniforms, were a totally different concept from today's one or two man yachts



The fleets at Cowes may grow larger each year, but the boats are smaller and less spectacular. Economic and social changes have left their mark. Even the latest contemporary ocean racers cannot match the grandeur and the glamour of the towering yachts which dominated regattas between the wars.

In those days offshore racing was in its infancy. Easily the most famous races were those for the America's Cup which, although held in American waters, attracted enormous public interest. For many years the dominating personality in this event was the late Sir Thomas Lipton who commissioned no fewer than five successive challengers in an attempt to regain the elusive trophy.

In between challenges these boats, and others like them, raced regularly at Cowes. Beautiful and vulnerable, they were crewed largely by professionals and were totally different in concept from today's ocean-going racing and cruising yachts which can be and have been handled by one or two men over long distances.

Lipton's Shamrock IV (above) was built just before the First World War, designed by Charles Nicholson and measuring more than 110ft overall. Due to events in Europe she was not able to match her paces against a Cup defender for another seven years. When the races eventually took place she acquitted herself nobly and was only defeated in the last race of a best-of-five series.

Nine years elapsed before Lipton made his fifth and final challenge. By that time Nicholson had played a major part in the development of the Bermudan rig, which meant the replacement of the old four side gaff mainsail by a triangular sail—an arrangement now virtually universal.

The first fruit of this change was the great J-class, of which Shamrock IV (top right) was one of the earliest examples. She was even larger than her earlier namesake, nearly 120ft overall and capable of carrying more than 7,500 sq ft of sail.

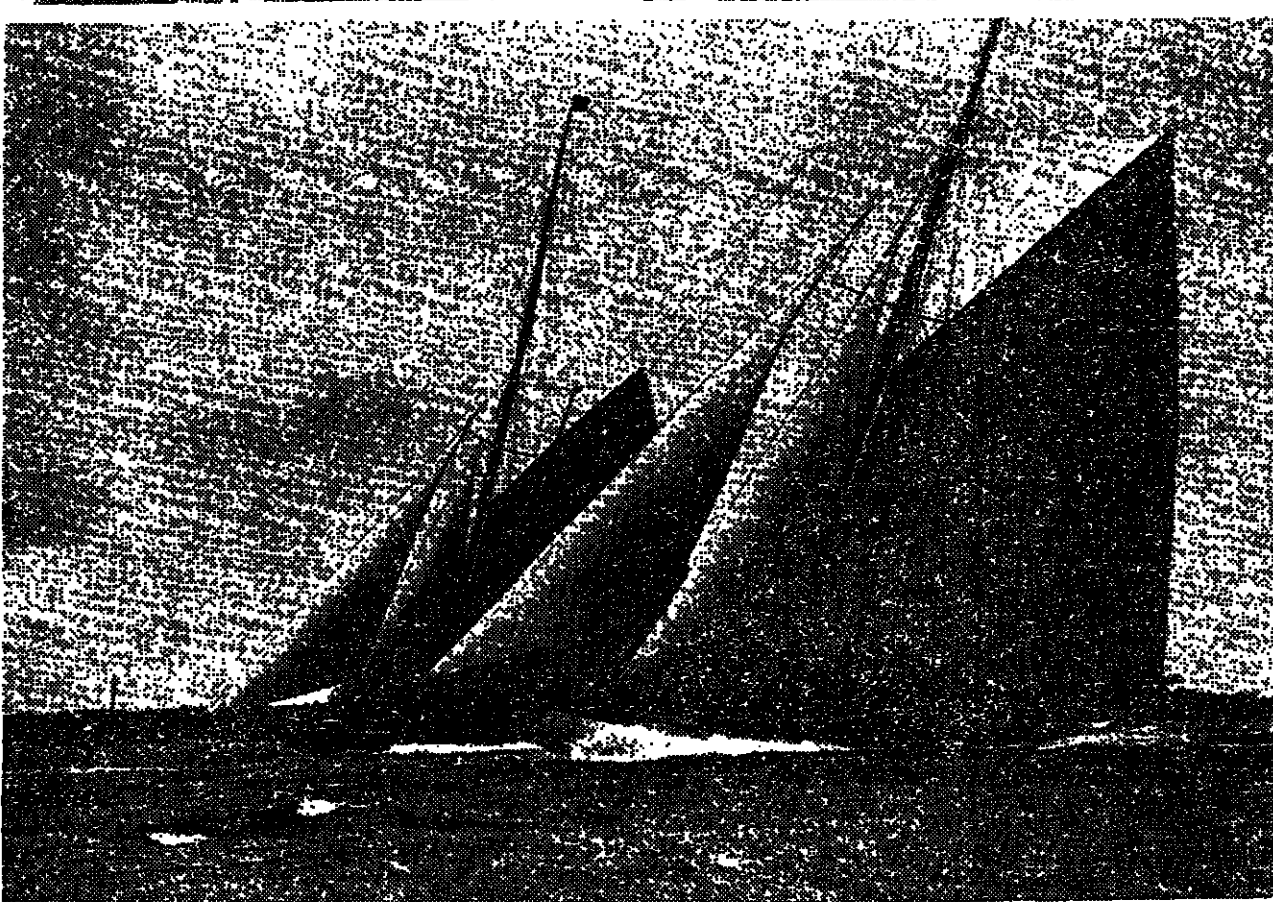
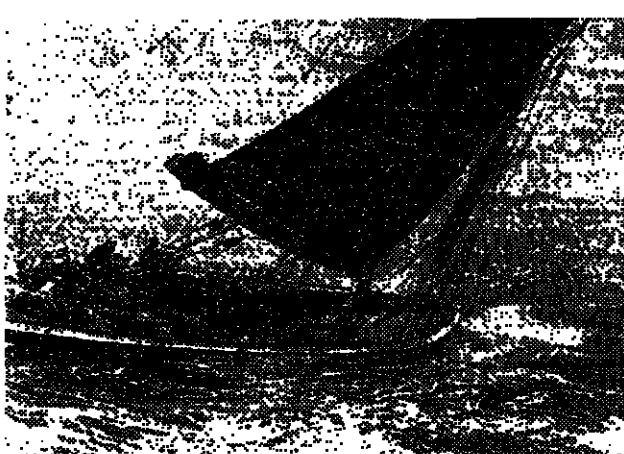
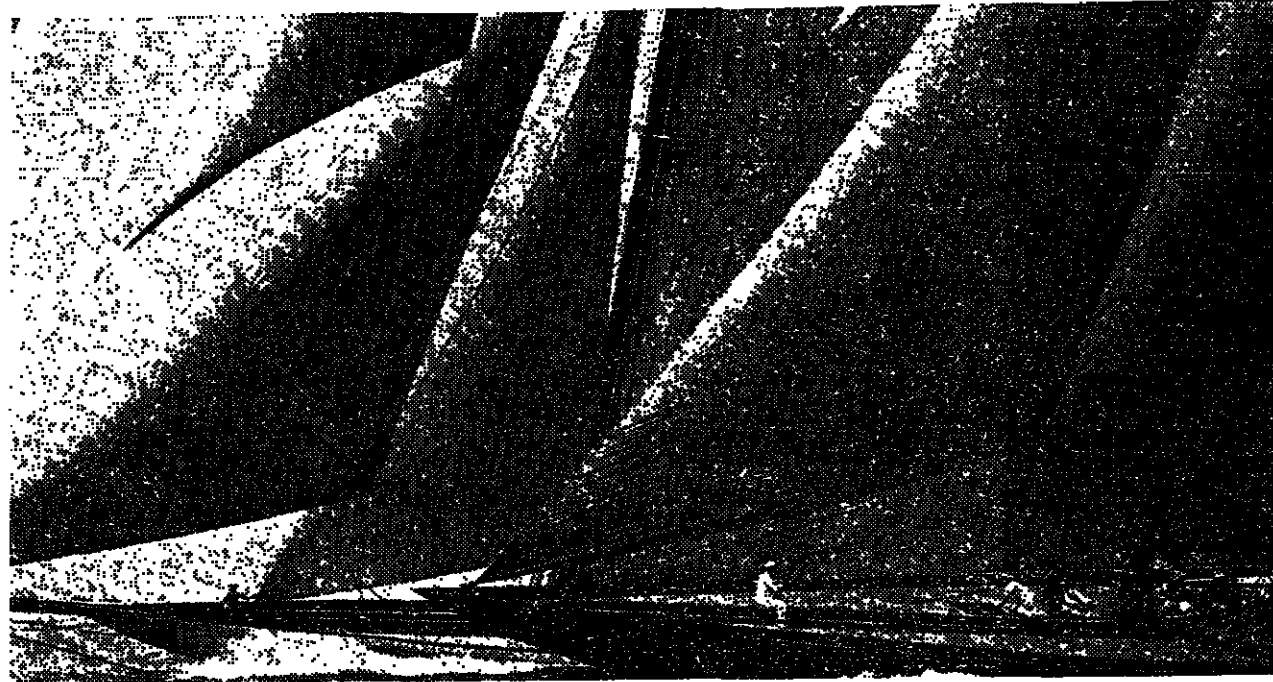
But she was no match for the Americans, who built no fewer than four potential defenders and eventually selected Enterprise, which won the series by four races to none. Some idea of the pace and power of these craft can be gained from the picture of Yankee (right above), one of the four American boats, which later visited Britain and took part in several regattas.

Sir Thomas, one of the "father figures" of Cowes, died two years later, having finally been accepted as a member of the Royal Yacht Squadron after years of rejection. His successor as benefactor of the British cause was T.O.M. (later Sir Thomas) Sopwith who made two attempts on the Cup with the J-class Endeavour I (right) in 1934 and Endeavour II (far right) in 1937.

The 1934 series was extremely close, perhaps the closest that the Americans have come before or since to losing the Cup. But the 1937 races resulted in an easy victory for the superb defender, Ranger, and that to all intents and purposes was the end of the era of the giants. When the Cup races were resumed after the Second World War, the 12-metre which took part were by comparison small fry.

Although the J-boats were the star attraction at Cowes during the 1930s, they never attained the popular affection lavished upon Britannia (bottom right) built for the Prince of Wales in 1932 and probably the most famous racing yacht in history. In more than 40 years of competition she won 231 out of 624 starts. When King George V died in 1935, she was towed out into the Channel and ceremonially scuttled. To many people it must have seemed an extravagant gesture, but it was in keeping with the times.

J. Y.

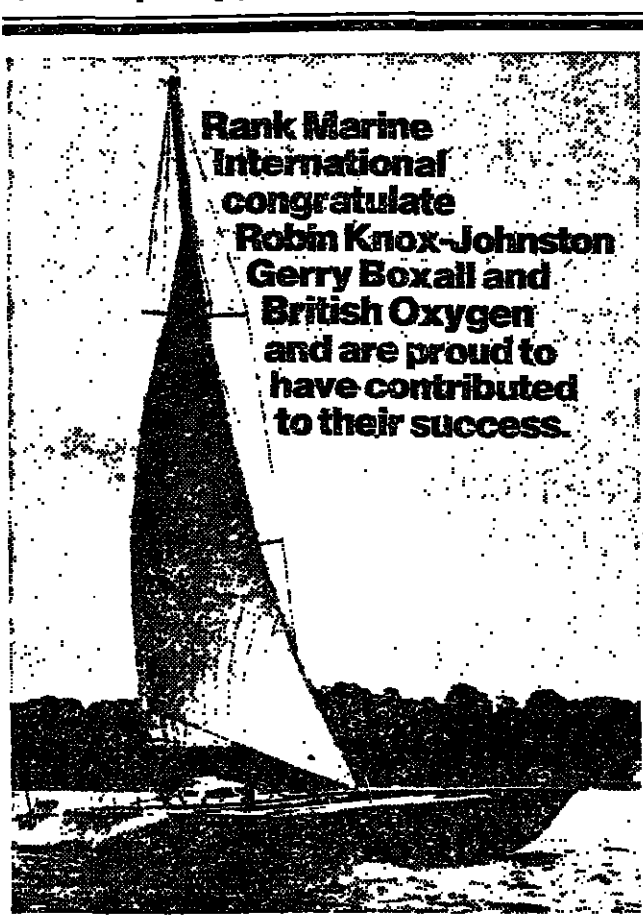


Archaic glamour lingers on—but the sport is truly serious

by John Young

There is a section of the Cowes yachting fraternity that lends itself to parody, even ridicule. "Why is it," a colleague on *The Guardian* asked some years ago, as we

sat on the roof of the Globe hotel drinking martinis, "that people here preface every remark with the words, 'Well now, look heah'?" "Elderly claret-faced men dressed as prep-school boys," was how another journalist



Rank Marine International congratulate Robin Knox-Johnston Gerry Boxall and British Oxygen and are proud to have contributed to their success.

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more recently described the stalwarts of Henley. Cowes has its equivalent.

They are the sort of people who seem to have no existence outside this peculiar little town at this particular time of year; you might almost believe that they are retired or out-of-work actors, engaged for a one-week performance for the benefit of the tourists. The same might be said for the girls, impossibly beautiful yet somehow vulnerable in their platform shoes and hopelessly unaustral stretch slacks, surreptitiously alert for the photographer who could bring them transitory glory in a Fleet Street gossip column.

But these people are not the essence of Cowes Week. They are part of the harmless periphery that invests all the great English seasonal sporting occasions with an archaic glamour. The spirit of Cole Porter survives; the wealthy and the beautiful people still wend their way from Ascot to Henley to Wimbledon to Cowes and destinations beyond (what ever did do on the Glorious Twelfth?). The yachters are there to be seen and heard, the non-yachters to watch and listen and be suitably impressed.

For all its pretensions the annual Combined Clubs regatta is a serious sporting occasion. The fact that it is the excuse for a prolonged party does not mean that sailing is simply a means of

dispelling a hangover before getting back to the important business at the bar. Many of the more dedicated participants take little or no part in the after-hours festivities; this is particularly true every second year when the Admiral's Cup teams gather from as far afield as Argentina and Australia for what is in effect the world championship of offshore racing—a gruelling exhausting sport that demands a high degree of fitness, courage, skill and training, and is emphatically not for the faint-hearted or those with queasy stomachs.

Important venue for keelboats

Conventional wisdom holds that it was the instigation of the Admiral's Cup that revitalized the flagging fortunes of Cowes Week and prevented it from declining into just another parochial regatta. Be that as it may, it would still rank as far away from the most important venue for keelboats, as opposed to dinghies, in British waters.

For the uninitiated this may need a little explaining. Since the end of the Second World War the great expansion in competitive sailing has been in dinghies—small, fast, lightweight craft which normally require only a two-man crew, can be stripped of mast and sails in a matter of minutes, loaded on to trailers and towed to the regatta by a car or truck, and conveniently parked on a strip of shingle or tarmac behind the yacht club or at home in the garage during the winter. They require

little maintenance and, most important of all, are still within the means of thousands of wage and salary earners, even in these inflation-ridden days.

Keelboats are generally larger, more cumbersome, more difficult and expensive to maintain and usually need moorings, afloat which, at any rate in the South of England, are not always easy to find. At the cheaper end of the scale the small family cruisers are not prohibitively expensive, but they are not designed to appeal to the racing enthusiast and so do not frequently appear at regattas; they are the saloon cars of the sailing world.

Once you move into offshore racing, you are starting to turn a profit. Constant research and development on the part of designers mean that boats rapidly become outdated and, with a few notable exceptions, too slow to compete with any chance of success. On top of that, owners are faced with extensive bills for wear-and-tear maintenance and replacement of equipment—it is not unknown for a big ocean racer in a tough race to lose three or four spinnakers, each costing several hundred pounds.

There are also crew expenses. You would be quite mistaken to suppose that all these funny-looking men in yellow slickers are property speculators or asset strippers. As a general rule expenses are all paid by the owner, professional crews are nowadays virtually an extinct species and expressly forbidden in most forms of racing, but even amateurs need to eat and drink.

In between the offshore racers and the mass-produced dinghies are the inshore keelboat classes, and these are in a sense what Cowes Week is all about. They are the solid durable centre of the sailing world, a relic of the days when boats were built of real wood and had proper keels and none of that plastic centreboard nonsense. One or two designs, like the Dragon, have attained wide international popularity; others have never been recognized outside their own immediate locality.

Once a year these local fleets, Sunbeams and Redwings, X-boats and Yarmouth One-Designs converge upon Cowes for their annual carnival. Each year they are a little older and perhaps a little slower, and so in many cases are those who sail them. Nobody builds these boats any more; those that survive are cherished and seldom change hands. The typical skipper may have owned his boat for 25 years and is regularly and competently assisted by his daughter-in-law and grandson.

None of this is of any great consequence except to emphasize that Cowes Week is not all brass and glitter. The serried ranks of white caps ranged along the Squadron battlements may look like something out of a Victorian music-hall caricature, but the hawk-eyed helmsman in his toy boat is not really pretending to be an admiral. He is more likely lost in concentration, suffering from a hangover or wondering where old George has got to.

Too expensive? You can always crew

by Hugh Somerville
Yachting Correspondent,
The Sunday Times

Many ask how people can afford to buy the yachts which race at Cowes in increasing numbers. A good question, although perhaps it is not appreciated that there are two distinct groups of yachts and yachtsmen racing there, particularly now that the pattern of yachting is changing fairly rapidly.

The first group embraces the traditional classes of one-design racing craft, such as the Dragon, Daring, the immensely popular X class, the Solent Sunbeams and the Bembridge Redwings.

The second are the classes of handicap racing yachts, varying from the smallest, of about 18ft on the waterline, to the largest offshore racers of between 40ft and 50ft, or even more. These craft are built, at least in theory, although some of the smaller, and even some of the more seriously pot-hunting bigger ones, provide only spartan accommodation.

So far as the first group is concerned, the vast majority are paid for in hard cash, and in the case of the older boats, may have been bought by the owner's father, or even grandfather. Many of these boats and their crews have been coming to Cowes regatta for many years, their crews accepting fairly cheap and rough bed and breakfast, or maybe two-star hotel accommodation, at prices which might shock Claridges.

These craft were the backbone of the regatta until the handicap classes started to expand rapidly about five years ago. Some of these one-design classes are severely restricted as to replacement of sails, and how many times the boat may be hauled out, so that the bottom can be scrubbed, during the season.

Unkept cost is thus kept to a minimum. Others such as the Dragon flit with the international circuit and the owners have to spend a lot of money on sails, quite apart from transport. In neither case do the owners want to burden themselves with repayment of loans on the boats, although they may find they

have to speak politely to their bank managers. The upkeep of the owner and crew tends to be the most underestimated part of yachting budgeting, particularly in a regatta like Cowes.

So far as the handicap racing yachts are concerned, the problem is more complicated. Many of these craft are either standard, or the prototypes of standard production yachts. While credit restrictions were reasonably easy, many British yacht building firms went in for cruiser-racing yachts, which appealed to the professional man of about 40 who had a family, and required a boat he could use instead of a country cottage.

He could, if so inclined, use it for the occasional, or even habitual, race. As a rough guide, about five years ago he could afford a mortgage if his yacht cost about the same as his net income. He could probably spread his repayments over five years, and the finance house would lend anything up to 80 per cent of the cost of the yacht.

With the gradually increasing cost of labour and materials, it sometimes happened that an owner who kept his yacht for the full mortgage period found that he sold it for a sum big enough to cover a large portion of his costs. A properly kept yacht, if well found in the first place, can be an excellent investment.

Unfortunately in December, 1973, a Government led by a leading yachtsman dealt a blow to the British boatbuilding industry which may be the death of many good honest boatbuilding firms. At one or two bumbling strokes a yacht was deemed to be an "item of consumer credit", on which the maximum advance was two thirds of the purchase price, and the maximum repayment period two years.

As *Yachting and Boating Weekly* pointed out in a recent editorial: "Many people can find the one-third deposit, but finding the balance over two years—without interest—is impossible for those whose purchases would be for boats costing between the £2,500 mark and £10,000 mark, the

most popular sector of the market.

"A boat costing £6,000 would commit an owner to finding more than £40 per week in repayments, and the man who has to borrow the balance of a boat costing £6,000 is clearly not going to be able to afford payments on that level."

Commander David Johnson, who is manager of Hill Samuel Marine Services, and one of the most experienced operators in the marine finance business, considers that this is a great blow to the British boatbuilding industry and is "letting in the foreigners" when the British firms inevitably go to the wall.

Commander Johnson reports that he has found business fluctuating so far this summer. His firm does not consider loans of less than £5,000, for which the demand is small. However, there are many who can well afford to pay four half-yearly instalments of £10,000, with interest on the reducing balance, instead of disturbing their capital, which anyway is a rock bottom on the Stock Exchange.

There are other means of raising money for yachts, but they have their drawbacks. Registry in the Channel Islands is bound up with residence. A second mortgage on a house may attract a heavy rate of interest. Leasing has its snags, and it is difficult to persuade the taxman that Class 1 ocean racers are essential for business—unless you build the things. There may well be some fine "gin palace" motor yachts at Cowes which qualify for tax relief on business expenses, but genuine sailors this is probably not.

Insurance on yachts is expensive. The premium on £1,300 Dragon is about £32. Some carry their own risk, and others pay a premium. The rates are bound to increase, if only because increased labour costs mean repairs are more expensive. Yachting has always been expensive, but the words of J.P. Morgan have often been quoted: "If you ask the price, you can't afford it. You can always crew."

Cheaper electronic aids on the way

by Andrew Bray
Yachting Monthly

The use of electronic navigational aids on board cruising and racing yachts has increased tremendously over the past 10 years. The first such instruments used were the echo sounder and electronic distance logs and both of these are in common use today. The advent of electronic equipment carried by a modern yacht depends very much on the type of sailing she will be doing and, to a large extent, the depth of the owner's pocket.

A yacht putting to sea for passages of moderate length can navigate to a reasonable degree of accuracy by means of dead reckoning with no more than a compass and a distance log, not a far cry from early Viking navigators and their lodestones. Today's racing yacht, such as might be participating in Cowes Week, will carry a considerable amount of specialized electronics to provide the navigator and tactician with important information to help them to make the right decisions, whether it is to put in a tack or change a headsail.

The sort of equipment carried by most boats will include wind speed and direction instruments, water speed and distance log, amplified water speed to indicate slight changes in boat speed and amplified wind direction for beating or running.

She will probably also carry a radio receiver with the right wavebands and a directional aerial for radio direction finding and an echo sounder. Vhf radio communications equipment is also widely used in larger racing yachts.

The development of new types of electronic aids for racing yachts is almost static as international offshore racing regulations prohibit the use of some of the more advanced equipment which is now available for cruising yachts such as radar and long-range or hyperbolic radar navigation equipment. Wind and water instruments, almost mandatory for the well-dressed racing yacht, are continuously being improved but radio direction finding is the only field in which more advanced gear can be used when racing is being developed.

For some years good radio direction finding sets, such as the Danish Sailor 46T and

Brookes & Gatehouse Homer/Heron, have been on the market, but even the most optimistic surveyor cannot hope to obtain bearings using such equipment to better than 5° accuracy—and that over a 60-mile range is a possible five-mile error. The fault lies not so much in the equipment but in interference through atmospheric conditions and from other equipment on the boat.

In the Admiral's Cup series last year the victorious German team was equipped with Ramert radio direction finding sets and aerials, and it is the Ramert RDF aerial, which can be used with any receiver with RDF facility, which incorporates some interesting innovations. There is a null (the point at which the aerial is directly in line with the transmitting station) sharpening device which when linked with a light which goes out when the null point is reached and a null meter can obtain bearings of up to 2° accuracy.

Basically this is achieved by introducing out-of-phase feedback into the circuit to reduce the effect of rigging radiation. Costing about £175, this is considerably more expensive than the Sailor or Brookes & Gatehouse aerials, but in a sport where accuracy in navigation can win or lose races the cost is not high in comparison to the overall cost of the boat.

The yacht electronic market is not large enough to warrant the expense of developing new equipment for yachts alone, so much of the equipment being produced for yachts is scaled down big ship gear, for example yacht radar and auto pilots.

Companies such as Decca and EMI produce yacht radar sets which can cost from £600 to £2,000, but because of the size and weight of the units, particularly the scanner, they are being used only on larger yachts. The scanner has to be large to obtain a reasonable range and target discrimination, but it seems likely that new yacht radars will use lightweight scanners.

Baron Instruments, a subsidiary of the Rank Organisation, are developing a low-cost, lightweight radar set which should sell for little over £500.

Another field where developments are taking place is in the use of long range hyperbolic radio navigational

systems—such things as Decca, Loran and the more recent Omega. The Decca Navigator is used extensively in Britain by commercial vessels from fishing boats to help to locate lobster pots to oil rigs for relocating drill sites.

Decca is the most accurate of the three but its range is limited to 200 miles so it is still essentially a short range aid. Omega is intended to be a worldwide system which is superseding Loran and new Omega stations are still being set up. At present Omega covers only the northern hemisphere, but in a few years the system should be complete.

Omega, like Loran and Decca, is a hyperbolic radio position finding system. Unlike the others it makes use of very low frequency to give extremely long range. Omega stations transmit information in a precisely coordinated time sequence so there is a phase difference between the signals which can be related to position at any location in the coverage pattern.

Omega receivers are expensive, for example the Omega Micron unit sold by Telesonic Marine in Britain costs £2,000, but there seems little doubt that for large yachts covering long distances it has a lot to commend itself and when the Omega chain is complete will be widely used by sailors.

Coming down the scale in terms of cost, Brooks & Gatehouse has developed an ingenious dead reckoning computer, the Hadrian (again not allowed for racing) which functions in conjunction with their Harrier log and Hestia electronic compass. It steered and distance sailed fed into this automatically and it provides a readout of a dial of how far the yacht is off her preset dead reckoning course, whether through the helmsman's bad steering or sailing to windward. No calculations have to be estimated separately.

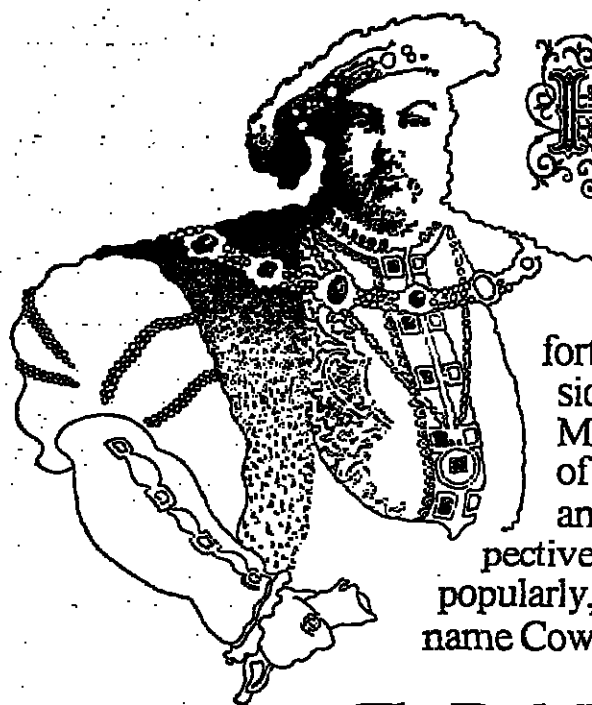
It is not possible to foresee whether there will be any radical developments in yacht electronics over the next few years. Perhaps the best guide is to look at equipment in use on large ships. In years to come one may safely link in one's autopilot to the satellite communications/navigation network and let the sextant rust.



Modern electronic aids like this equipment from Brooks & Gatehouse enable the ocean-racing navigator to work to a high degree of accuracy.

مركز الامم

Dunhill on Cowes Week.



Henry VIII, when not carousing, had a weather eye on strategy. He built two fortresses on either side of the River Medina on the Isle of Wight, to 'cow' any foe or prospective invader. Hence, popularly, the origin of the name Cowes.

The Early Days

Because of its beauty with lush forests and rolling hills, the island attracted the nobility in their droves. The Duke of Gloucester and Princess Sophia visited the island in 1811 (hence the Gloster Hotel). The Prince Regent patronised the local yacht club, which changed its name to the Royal Yacht Squadron.

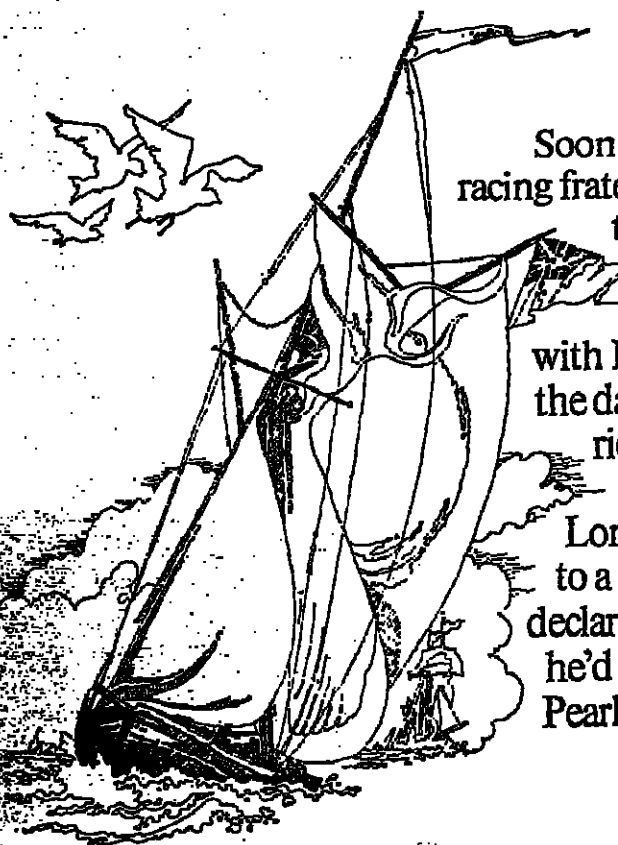
The 'Squadron' is the most coveted club in the world, partly because its members may fly the Royal Navy's White Ensign.

Queen Victoria, Edward VII and George V took a fancy to the place, George V racing the famous yacht 'Britannia'. Even today the Duke of Edinburgh sails from Cowes when opportunity permits.

The stronghold of the aristocrats is still the 'Squadron'. In the days when a single blackball could exclude a candidate from membership of that club, a thwarted prospective member, cursing and fuming,



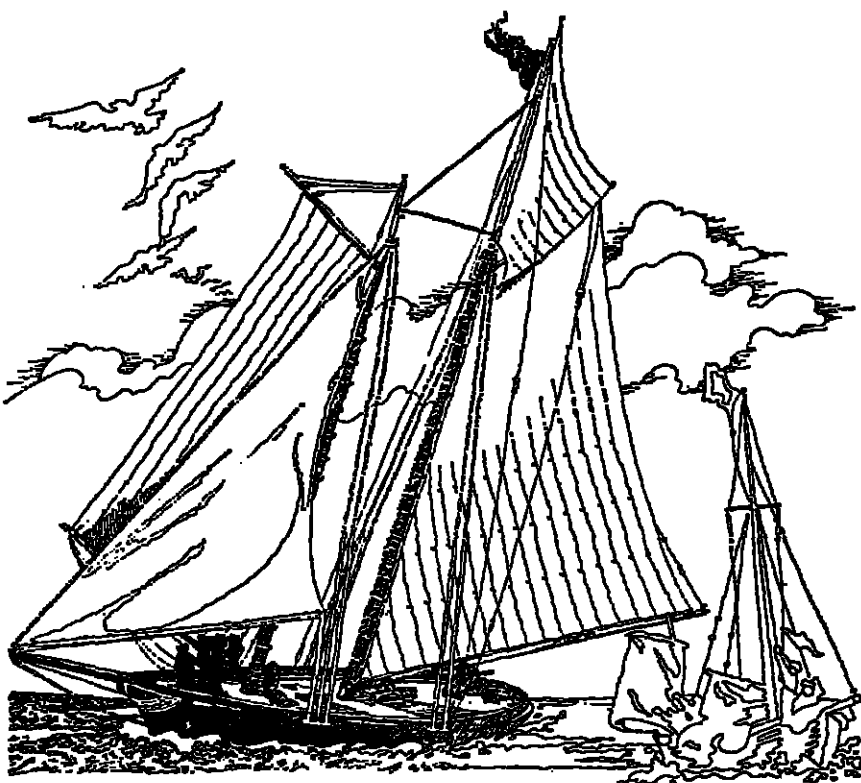
anchored his twelve-cannon black schooner nearby and threatened a bombardment during dinner. The blackballer subsequently apologised.



Soon the fanatic yacht racing fraternity began to take notice of Cowes and to rub shoulders with Royalty, the dandies and the rich. When Joseph Weld challenged Lord Anglesey to a race, the latter declared that if he lost, he'd burn his yacht 'Pearl' in the river.

The American Invasion

Racing remained rather cosy and very British, an atmosphere to be shattered in 1851 when the American schooner 'America' sailed over from the

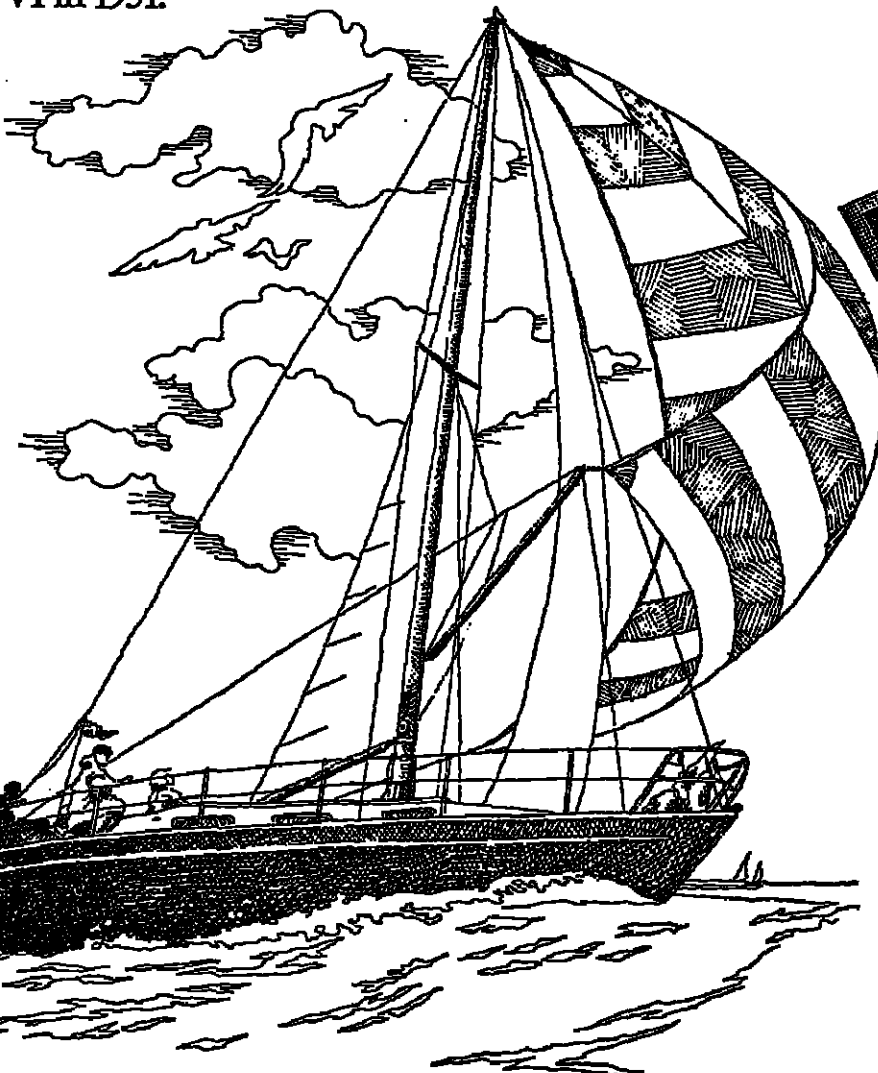


States and trounced the cream of the home fleet, in a race around the Isle of Wight.

Today, a true compromise still exists, best seen in that week of racing called, not unnaturally, Cowes Week. Ashore there is a heady social life and the hostilities are always brim full. The narrow streets are taken over by a brigade of dinner jackets, mingled with torn trousers and wet oilskins. Afloat, the Week is dominated by the racing of local classes of yachts—XODs, IODs, Dragons together with large and small cruiser classes.

Cowes 1974

This year's regatta opened on Saturday with the Queen's Cup race. Tomorrow will see racing yachts with a rating of 29 feet and above competing for the Britannia Cup, a trophy presented to the Royal Yachting Association by the late King George VI in 1951.

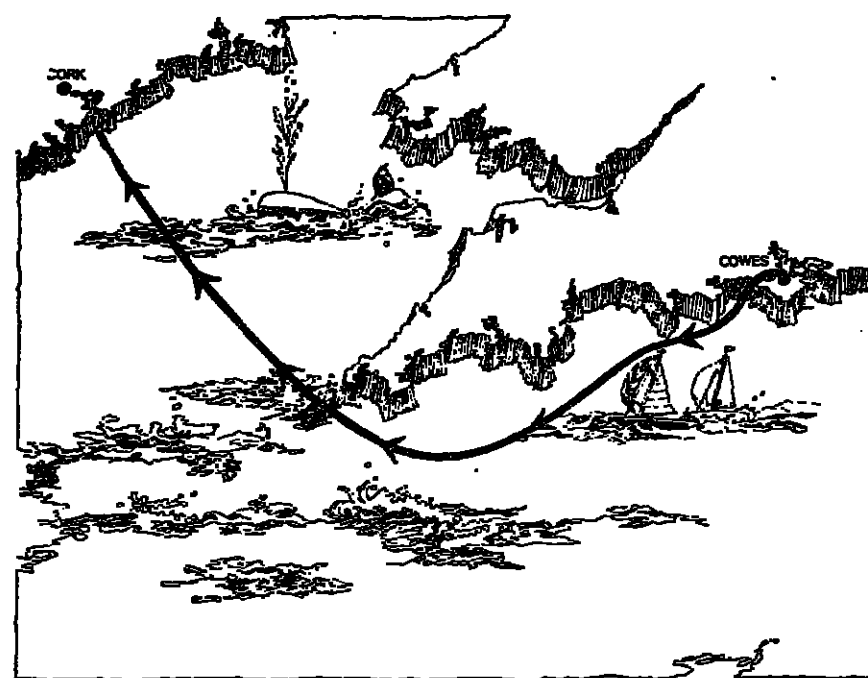


Another award presented in 1951, the New York Yacht Club Cup, will be raced for on Thursday, 8th August. This race was first won by the famous yacht 'Latifa', designed by William Fife and built in 1936.

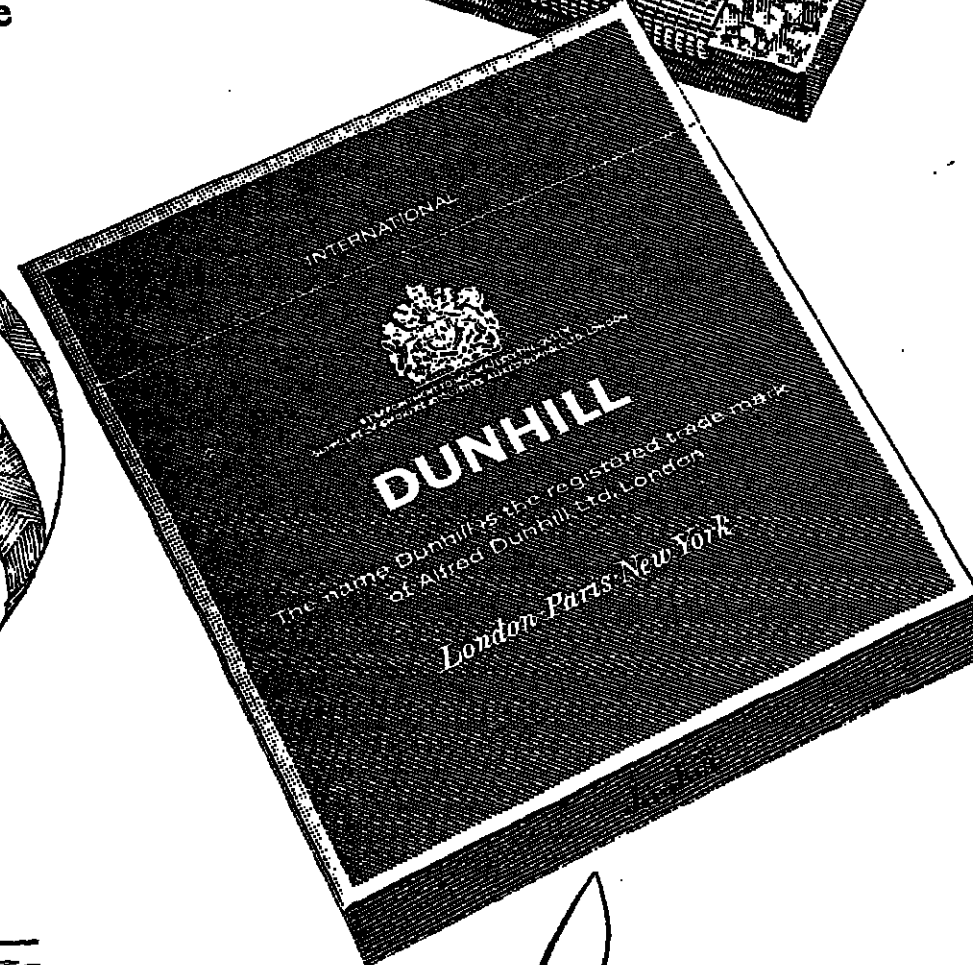
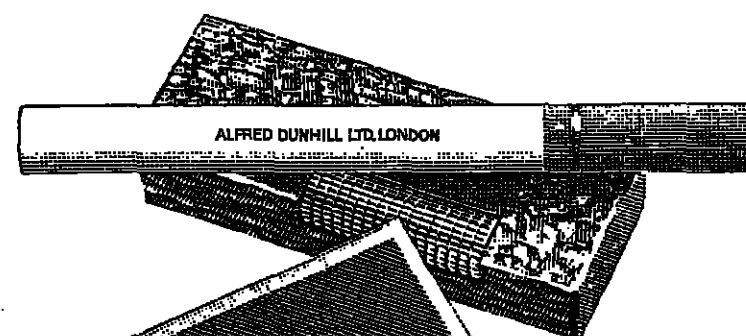
Throughout the week, yachts of a variety of classes and divisions race intensely for a number of prizes. On Saturday, the week comes to an exciting climax with the start of a 320-mile ocean race to Cork on the south-west coast of Ireland.

Over the years, Cowes Week has grown in popularity and this has been emphasised by an ever-increasing number of entries. In fact, the popularity of Cowes grew to such an extent that in 1972 the Cowes Combined Clubs Committee, organisers of the event, approached Alfred Dunhill Limited with a view to obtaining support for Cowes Week. Dunhill, already well-known for their support of British yachting, agreed to provide the necessary financial support, not only for the needs of regatta management, but to secure suitable premises to cope with the increased requirements of competitors and press.

Written in association with Anthony Churchill, racing enthusiast and competitor.



Internationally acknowledged to be the finest cigarette in the world.



Dunhill support British yachting

Lord Chalfont

Could Britain be heading for a military takeover?

Not so very long ago the suggestion that there might be a military coup d'état in Britain would have been greeted with cries of amusement and disbelief. It has for long been an almost unquestioned article of received wisdom that the traditions of parliamentary democracy in this country are too strong and the constitutional docility of the British people too deeply ingrained to permit the importation of such disgraceful foreign manifestations as "regimes" of colonels or generals. Besides there has always been a comfortable, if not entirely well-founded, belief that the intellectual equipment of the officer corps is such that its members would be hard put to it to walk and chew gum at the same time, much less deal with the fearful complexities among which our elected representatives move with such impressive elegance and skill.

Yet only a few months ago, Mr William Buckley, an American of pronounced right-wing views but otherwise in full possession of all his faculties, gave it as his considered opinion that this country was heading for a military takeover; and last week a broadsheet signed by Sir Oswald Mosley, a name not without a certain chilling significance in the political history of these islands, contained the message that from "the prevailing pessimism and almost universal defeatism which now characterise the British scene, two dangers were emerging: continuing anarchy, or a military coup d'état."

Some of the more imaginative propagandists of the far left have even suggested that the current appearances of troops and armoured cars at London Airport are rehearsals for the day when the chiefs of staff are installed at No 10 Downing Street and the machines appear at the airport corner. Although this may seem a more than usually overheated fantasy,

it would be wise to recognize that more and more people in this country, many of them men of letters, are beginning to contemplate seriously, and not without some satisfaction, the possibility of a period of authoritarian rule in Britain.

This attitude of mind, understandable as it may be to some, is so dangerous that it would be as well to examine it, and some of its more identifiable symptoms, in some detail.

In the first place, there is a sense of pessimism, almost of desperation, that afflicts so many people in this country at present springs from a number of closely related phenomena. The most obvious and powerful is inflation, an accelerating process which erodes both the standard and the quality of national life, exacerbating the inherent insecurity of modern industrial civilisation, and creating a breeding ground for politics of envy and greed.

Some of the roots of inflation lie in the policies of the oil-producing countries, the progressive rise in world commodity prices and the ludicrous chaos of the world monetary system. Some of them, however, are firmly embedded in our own industrial life, where the massive power and often ruthless action of the great industrial trade unions aggravates and perpetuates the problem.

Rightly or wrongly, some of this disruption is ascribed to the minds of many reasonable people with the increasing influence of the extreme left in the Labour movement generally and the trade unions in particular. Mr Ian Mikardo may make disarming noises, and others may utter such meaningless slogans as "we are all moderates now"; the fact remains that many people feel genuinely threatened, and their sense of apprehension is unlikely to be mitigated by talk of indiscriminate nationalization

or by trade union leaders who openly declare that their aim is the total abolition of private enterprise.

Normally, in a vigorous free society, those who feel threatened by upheaval in the social order can have reasonable confidence in the ultimate power of the democratic political process. An elected Parliament and an effective government are their protection against the more extreme consequences of industrial anarchy. Today, however, the British people contemplate the spectacle of a minority government confronted indecisively by an apathetic opposition. The only remaining element of party political "debate" has long since ceased to be even unintentionally funny. Most intelligent people are not only sick of it, they are also appalled at its apparent

irresponsibility in the face of a grave national crisis.

The result of all this is that serious political activity is in danger of passing out of the hands of Parliament and government. Already the industrial trade unions wield enormous power; the hidden influence of the bureaucratic machine is disproportionately large; and those at the private enterprise end of the political spectrum are beginning to organize themselves to fight battles which no political party seems disposed to fight for them. Large industrial concerns are beginning to talk in terms of a coordinated defence against industrial action or wholesale nationalization. The voice of Aims of Industry is becoming more insistent and more extreme; the National Association of Ratepayers Association Groups has announced

significantly that it intends to make its main aim "the search for a new national leader".

To these already disturbing signs of contempt for parliamentary democracy, we now have to add the appearance of strange groups of people who are apparently planning to take some action, as yet unspecified, in the event of what they describe, with an unerring instinct for the bloodcurdling cliché as "the breakdown of law and order". There is much talk on the lines of "the crunch is coming" and "the need for a nationwide body of disciplined men".

While it would be wrong to take this *Dad's Army* posturing too seriously, it would be unwise to ignore it. It is worth recalling that a little more than two years ago Brigadier Frank Kitson, still a serving Army

officer, was writing in a book to which the present Chief of the Defence Staff contributed a foreword:

"If a genuine and serious grievance arose, such as might result from a significant drop in the standard of living, all those who now dissipate their protest over a wide variety of causes might concentrate their efforts and produce a situation which was beyond the power of the police to handle. Should this happen the Army would be required to restore the situation rapidly."

It is against this background that the activities of the new self-styled action groups should be assessed.

If this country is to avoid disaster and make, intelligently, the crucial choice between what Arthur Koestler has called relative freedom or absolute tyranny, it does not need, nor can it afford, the militants of the neo-Marxist left or the bullies of the neo-fascist right. It needs a return to strong, effective parliamentary government and it needs an administration which represents and protects the interests of those—the great majority in this country—who owe allegiance to neither extreme.

Mr Roy Jenkins's recent speech did much to dispel and reflect their views; but that, in itself, is not enough. The Englishman, wrote Heinrich Heine, "loves liberty like his wife, but he loves her less when she is a prostitute." It is becoming increasingly clear that the only way of avoiding a potentially violent division in our society, with all its attendant threats to freedom, is the rational realignment of the political forces of the centre. The danger to liberty is the same whether it is the cost of the intruder that is red or his flag.

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Armoured cars at Heathrow: A rehearsal for a coup?

The choice is a wage freeze or an early election

Being the sequel to the draft memorandum I prepared for Mr Healey, but which he did not circulate to his colleagues. I do not like to use the words "I told you so", but I must say I am sorely tempted. Before my mini-budget proposals I asked for your collective wisdom, upon which I acted, and what has been the result? A total flop. The gloom and despondency have got worse.

But after all, this should not have been unexpected. If you ask a silly question, you get a silly answer, and I must admit that expecting the collective wisdom of colleagues ranging in views from Roy Jenkins to Tony Benn, is asking the impossible.

What you said to me in effect was this: "You have got to square the circle. You must produce proposals that expand demand, boost employment and investment, and prepare the way for the election, but, at the same time, you must do nothing to undermine foreign confidence in sterling, or do anything more to frighten off the middle voters (whom even then Roy was planning to woo on our behalf)". The result was only what I suppose we should have expected. Investment looks no better; the Stock Exchange has fallen even further, and despite what Ian Mikardo and Eric Croft may say, we still have a mixed economy, and you cannot expect a healthy private sector producing jobs and exports, if you deal a devastating blow to the traditional source of corporate finance.

As for the political effects, well, we may have gained something by standing Tony Crosland on his head in the matter of rates, and pretending that we were merely anticipating the Tories, when, in fact, we were correcting ourselves. But the main dramatic move, the reduction of VAT from 10 to 8 per cent, has been a total disaster. It is not after all surprising that we got little thanks from the consumer, for taking £1.50 off a £70 refrigerator. It takes a lot more than

There really is no evidence as yet that the social contract is going to work adequately to preserve us from a winter of grave stagflation

this to erase the memory of Tony Benn in the middle class constituencies. The only surprising thing is that sterling has held up reasonably well so far.

To sum up what I did in the mini-budget:

(1) I gave away a lot in revenue and undertook a substantial increase in the borrowing requirement, despite the predictable howls from the monetary enthusiasts.

(2) I tried to bolster this up so far as foreign confidence and the City is concerned, by announcing our loan from the Shah and by the relaxation on dividend control.

(3) I claimed that the whole thing was really designed to restrain cost inflation by reducing the rate at which threshold agreements triggered off new wage increases.

I pointed out to my colleagues beforehand that (1) would have no effect on investment, and that dividend relaxation would be received with a hollow laugh.

I said that the Shah was going to invest substantially in sterling, and that the terms were going to be very onerous. Meanwhile, the continued parading of the possibility of further nationalization is hardly encouraging other holders of petrodollars or petrostelers to follow his example (for £3), we all know perfectly well that the threshold is going to be swamped anyway by additional claims flooding in over and above it.

The Tories let us off the hook in the subsequent debate, when we outmanoeuvred them in parliamentary terms. But we all make the mistake of thinking that what happens in Parliament has a great influence on the public. Even when Hansard is being printed, very few people read it. The vast majority of the public rely for their impression of Parliament on the press, where the commentators are hardly flattering to any of us, and where what gets the biggest publicity is the most raucous noise. What really counts with the public are results, and I do not see many at the moment.

We really have got to face up to it now. As I pointed out in my previous memorandum, excessive wage demands based upon the exploitation of trade union monopoly are now the overwhelming cause of inflation. The public know this perfectly well. They have only got to look at the stream of demands now appearing in the newspapers running up to fantastic percentages.

However much some of these figures may owe to the normal pre-conference posturing, the reality of them is big enough to scare the public. It certainly scares me.

There really is no evidence as yet that the social contract is going to work adequately to preserve us from a winter of the most grave stagflation. It seems to me that we have only two alternatives before us now. Either to reimpose statutory control of incomes, or indeed a wage freeze, or cut and run for an early election.

I do not ask for the collective wisdom of my colleagues on this proposition. My sense of humour is exhausted.

Reginald Maundling

Archbishop Makarios faces the possibility of long exile

The open appearance of an hotel foyer changes suddenly to the faintly sinister look of the approaches to a bank strong-room as you reach "Security" on the top floor of the Grosvenor House Hotel, where Archbishop Makarios and his personal staff are staying. After penetrating locked doors and an ante-room with a bodyguard of three Greek Cypriot security men, I found myself looking suddenly out over Hyde Park side by side with the archbishop.

In the light of Turkish violations of the ceasefire in Cyprus, I asked him what action he wished the British Government to take. The Turkish violations, he said, put Britain, Greece and the United Nations in a difficult position. He appreciates Mr Callaghan's efforts in Geneva and London, but says that if the Turks continue to disregard warnings, the British Government, which has bases and sizable forces in Cyprus, should make clear to Turkey that it cannot accept military expansion.

Archbishop Makarios evidently wished to make an early denial himself of criticisms of his regime's treatment of prisoners published in an article in *The Times* on July 31. These were denied by a spokesman at the weekend. The archbishop really believes, he said, that the author, who had gone to Cyprus to defend members of the terrorist organisation, EOKA B, "was not unbiased". The allegations, after careful investigation, were found to be either wholly unfounded or highly exaggerated. The archbishop admitted that some prisoners had been struck or beaten, but claimed that there was no evidence of systematic or scientific torture, and that he had stated frequently that he strongly opposed any ill treatment.

When I asked the archbishop about his own plans, he emphasized that it was open to him to return to Cyprus at any time. His sister, who has been in England by the RAF with other evacuees, had brought word from many friends that support for him in Cyprus was greater than ever. Even his strongest opponents saw now, he claimed, that he had always been right in saying

that union of Cyprus with Greece was not a feasible policy.

His primary concern now was not, however, his return but the shaping of the future in Cyprus. "I will return to Cyprus," he declared, "after the withdrawal of the Greek officers who are commanding the National Guard, and who carried out the coup against me." To return before their departure would, he said, stir up dissension. Clearly, Archbishop Makarios is contemplating the possibility of a long and patient wait, though he said that if a just agreement were achieved, the bitterness and divisions between the Greek Cypriots and Turkish Cypriots would soon be healed.

He does not, he said, intend for the time being to go to Athens. Evidently he feels that the Greeks have many pressing problems and that his presence there would not help, but with the new Greek government his relations were, he said, "very good". In particular, he was on friendly terms with Mr Karamanlis, the Greek Prime Minister, and with Mr George Mavros, the Foreign Minister.

Turning to the talks ahead in Geneva, he said: "Without entering into details, I would say that the Greek Cypriot side will ask for the full implementation of the July 20 United Nations Resolution. This called for a ceasefire; requested the withdrawal of foreign troops not authorized to be in Cyprus; and called on Greece, Turkey and Britain to negotiate without delay for the restoration of peace and constitutional government, while keeping the Secretary General of the United Nations informed. The Secretary General has accepted the situation as appropriate. The Resolution reinforces the right of appeal to the United Nations and the archbishop's claim to be regarded as President of Cyprus."

Archbishop Makarios said that the 1960 constitution for Cyprus should be the basis of the talks and should be considered in force until agreement is reached. It provided a single Cypriot government with safeguards for the Turkish Cypriot minority, but in practice the need for some changes

is accepted on all sides. Archbishop Makarios said he would like to see the committee which would discuss the constitution to include British, Greek, Turkish, Greek Cypriot and Turkish Cypriot representatives. "If suggestions made by him on November 30, 1963, would now be accepted, indeed, he would be," he said. His suggestions cut down some Turkish Cypriot safeguards in the interests, it was argued, of effecting a central government. The Turks are now calling for a cantonal or federal system with considerable autonomy for the cantons, one or more of which would be under Turkish Cypriot control.

Archbishop Makarios said that he would be happy with one proposal considered at Geneva—that the island should be demilitarized. He clearly thinks that the Cyprus defence force which was originally in mind in 1960 (1,500 Greek Cypriots and 800 Turkish Cypriots) is pointless. Abandonment of this would be an argument to support a reduction in the Turkish military presence in Cyprus.

Finally, I asked in what ways he felt he could best now serve the Greek Cypriot and Turkish Cypriot communities. "In present circumstances in Cyprus," he replied, "a precise reply is difficult. What I can now say is that I will do my utmost to see both Greek and Turkish Cypriots living harmoniously together in peace and cooperation." He knows that while in the eyes of the enosisists (supporters of union with Greece) he was a traitor to their cause, he remains, in the eyes of the Turks, an enosisist himself at heart. Meanwhile, he gives no sign whatever of any desire to throw in the political sponge, to resign himself to the oranges and lemons of a monastery archbishop, as he might with some justification at 61, with the stresses and dangers of recent years and nearly a quarter of a century as leader of the Greek Cypriots behind him.

A. M. Rendel

Diplomatic Correspondent

What equality in education means to Mr Prentice

Time is running out for the country's 175 direct grant schools if Labour wins the next election. Labour policy is to abolish the direct grant of more than £12m which pays for nearly half of the schools' costs. This was confirmed by Mr Prentice, Secretary of State for Education and Science, in an interview with *The Times* on the last day of the Parliamentary term.

He said: "The future of direct grant schools will now be considered in the reasonably near future. The exact timing is something I cannot foresee. But it may not be necessary to wait all that long before we can issue a more definite policy on what we intend to do."

Previous statements by Mr Prentice had indicated that those grammar schools, which are financed by the central Government and local authorities in return for providing a proportion of their places free to state pupils, were safe for several years.

The last Labour election manifesto contained no reference to direct grant schools. An omission which Mr Prentice indicated he would put right in the next one. Nor did Mr Prentice rule out the possibility that a new Labour Government would instruct local authorities not to take up places at these schools. At present local authorities pay about £12.6m a year in direct grant fees.

Mr Prentice also took the opportunity in the interview to give the Labour counterblast to Conservatives who have already decided to make education along with housing the main issues in the next election.

He accused Mr Norman St John-Stevas, recently appointed Opposition spokesman on education, of making a phoney election bid based on promises of parental choice; of stirring up a myth about monster comprehensive schools; of perpetuating uncertainty in secondary reorganization against the general consensus of educationalists; and of encouraging local authorities to defy the will of Parliament.

He said: "Education will be one of the main issues in the election firstly because public interest in the quality of education is high up and down the country. Secondly because the Conservative party have chosen to make a political issue of parental choice which I regret. During the few months that Bill Van Straubenzee was Opposition spokesman for education, he and I had some differences of emphasis, but we had no clash of principle. It is Mr Heath who has deliberately chosen to appoint a more abrasive spokesman and identified education as an election issue with all the emphasis on parental choice."

The Conservatives are making a phoney bid with these promises. Parental choice has never existed in practice. What in fact it has traditionally meant is that four out of five parents have the choice of either sending their children to local secondary moderns or going to jail for failing to send their children to school. The other fifth have a choice of whether to accept a place for their child at a grammar school."

He went on: "There has never been a wide choice except for parents who are able to pay for private education for their children. I am concerned with the extension of choice to individual pupils in consultation with their parents. We believe that a comprehensive system will provide a wide range of choice for them."

I intend personally to see that comprehensive education becomes an election issue during the election making the case for it. "I can promise the people that I can fight very hard for greater resources for education. What I cannot and will not promise is how much will be spent on education. I shall be offering no bribes during the election. On school milk, I would prefer to see it provided free for all primary school children. (Only the five to seven-year-olds get it.) The Government has been having a long consideration. I am not prepared to announce a decision at this stage."

"I am not going to over-promise, to make guarantees which cannot reasonably be

kept by anyone in this election. We are going to be in a period of very painful economic adjustment in which no political party is entitled to make easy promises."

The comprehensive issue is a very important one—it does not depend on resources. A lot of local authorities have proved that you can reorganize on comprehensive lines without getting special resource to do so."

He said Mr St John-Stevas was unwise in a recent statement to encourage local authorities not to comply with the Government's request to accept a circular 4/74 to submit comprehensive schemes by the end of the year.

He said: "A great many Conservative-controlled local education authorities favour comprehensive education. I do not think he should perpetuate the uncertainty. He should accept the fact that the great bulk of educational opinion has been in favour of comprehensive education for the past 10 years. Comprehensive education has been a success. Circular 4/74 has now been approved by the House of Commons. I regard it as constitutionally improper that I should ask local authorities to defy the will of Parliament. I have no evidence for his suggestion that the circular and its advice in it, if acted upon, is against the Law."

Of the Conservatives, Mr Prentice said, were spreading myth about monster large comprehensive schools.

"They are putting out the idea in these schools that you get all the problems of truancy and discipline. Whereas the fact is that the problems that exist throughout society exist in schools of all shapes and sizes. They exist in selective schools as well as comprehensives."

Mr Prentice said they had thought in terms of comprehensive schools of various sizes. It used to be thought comprehensive school had to be large. There were a lot of large comprehensive schools which were very successful, was not prepared to accept general criticism that it was bad because they were big."

He disagreed with a Conservative plan to allow 15 to 16 year olds to leave school at age 15 if they have the opportunity to go into training.

This would deprive secondary schools of many of their best pupils in the mid ranges and leave in schools those whom employers do not want for training purposes."

He said a Labour Government was more likely to give higher priority to education. Within our education priority programme we intend to give more attention to disadvantaged members of community."

He said he had already taken several steps towards this: the announcement of unit to find out why so children do not achieve full potential at school; the decision to give a high priority to nursery education; the decision to have done and to proceed with comprehensive organization; an announcement of resources to fight adult ill health; more money for Open University; making a programme for primary schools difficult areas, at the sacrifice of the secondary schools; the needs of all schools; extra £10.8m for teachers special stress schools; an increase in student grants; mandatory awards for students on higher national diploma courses.

"When I talk about equality I mean more than the equal of opportunity. More than that, I mean that we start in the race and at the end of the race go their ways. Equality entails an element of positive discrimination in favour of disadvantaged children. It does not mean that people are equal and must be subjected to a cultural uniformity. It means they have equal chance to express themselves and fulfil themselves. The trouble with selection procedures is that they have pressed large numbers of young people from having a kind of equal chances they serve."

Tim Devlin

Tomorrow; the St John-Stevas view.

The Times Diary

Books to get your suntan with

Here are some new titles, suitable for reading on a sunny beach, which our Literary Department unaccountably failed to include in their recent holiday reading feature:

Cooking for Dummies, by Robert Carrier. If we are really nearing the end of civilization and democratic life as we know it, what preparations do we need to make in the kitchen? Carrier's latest book, lavishly produced on a costly new format, is in two parts. The first is devoted to dishes like pâtés and preserves which can be readied in advance and stored in the cellar, for a long time. The second part assumes that, when the coup or revolution does come, we shall all be forced to eat standard drab utility food. It therefore contains instructions for making simple gourmet dishes in secret. (Aims of Gastronomy, £37.50.)

Nodding Through, by Harold Lever MP. Memories of his-

ic debates in the House of Commons. (Puffin Books, 45p.)

Nices Sampson, President. As Nices Sampson became President of Cyprus, this enterprising publisher rushed into print with the first authorized biography, made up of old newspaper items from the island. The book is a most good bookshop. (Quick Books, Inc. 5p.)

Growing Up Poor in London, by Louis Heren. The deputy editor of *The Times* describes what it is like to be a journalist on *The Times*. (Michael Joseph, £14.50.)

Churchill, by A. Historian. In the twenty-third book in the series about the wartime Prime Minister, the eminent historian deconstructs Churchill's personality and research leads him to one sensational conclusion. Churchill could not have delivered his famous Dunkirk speech because he was not in Dunkirk on the day in question and, moreover, Dunkirk was at that

time in enemy hands. (Cape, £18.)

I'm Ahmed, Ride Me, by Ahmed Ahmed. A steward on the Inter-City express from London to Birmingham writes a revealing, ribald, frank and saucy account of what British Rail stewards get up to before the first sitting at breakfast. (Ian Allen, £11.50.)

The Private Eye Book of Harold Evans, edited by Richard Ingrams. This enormous volume places between two covers all the news stories, some of them partially true, written about the former editor of *The Sunday Times* in the former satirical weekly. In a revealing preface Ingrams, formerly *Private Eye*'s editor, reveals movingly that the reason his journal carried so much news about journalists was that he always had a secret ambition to be one. A hastily printed epilogue takes the story to the recent nationalization of the press by Anthony Benn, when *Private Eye* and *The Sunday Times* were merged under the editorship of Joe Haines, the former Prime Minister. (BMSO, £17.)

Wish You Were Here, by Mike Hodge. A guide to survival on holiday. The author, experienced traveller and military

man, advises on precautions to take on a modern holiday. Contents: chapters on sunburn, small arms handling, stomach upsets, how to interpret menus, how to bargain with your Captains in their local language, and prayer. (Olympic Airways, £5.50.)

Stop Me if I'm Boring You, by Edward Heath. The former Prime Minister gives hints on how to sparkle in public life. Includes verbatim text of his 100 best jokes against Harold Wilson. (Conservative Central Office, 50p.)

Red with Fish, White with Meat, by *The Sunday Times* Insight team. This revolutionary guide to choosing wine reveals that we have all, for years, been the victims of an enormous confidence trick perpetrated by the French vintners. Several months of expensive and hazardous research in French and Californian vineyards, combined with professional photography and nutrition at universities all over the United States, with supportive field work in Soho, lead to the conclusion that red wine ought to be drunk with fish and white meat. Rose need never be drunk at all, while a stiff-

FREE SOAP, BLEACH AND DRY

Wednesday FOR BLANKETS

Thursday FOR OLD AGE PENSIONERS

Today's vivid message takes us rather a long way from road signs, except in the loosest sense. It was photographed by Ian Scarlett of Kilburn in a North London launderette.

fish dose of Scotch is the best thing to drink with the Sunday newspapers. (Andre Deutsch, £12.50.)

A Book of Royal Tumbles, by Lord Snowdon. This beautifully photographed and badly needed book documents the Royal family's worrying tendency to fall off things. All-action pictures show Princess Anne falling off a horse in Russia, the Duke of Edinburgh falling out of a carriage and the author himself, pho-

turns his attention to our latest contemporary preoccupation. There are hints on strategy on gaining information about delivery dates and times, and on the most painful way of elbowing aside other customers. There are, too, moving and vivid interviews with the walking wounded, casualties of our urban war of life, who have sustained cracked ribs and bruised dignity while still failing to get the goods they required. Written during the great lavatory paper crisis of the winter of 1973, it carries it right up to date with the sugar and cheese shortages of the summer. (Michael Joseph, £12.50.)

How to Cope with Inflation, by Don Cameron. A guide to hot air ballooning. (Vista Books, £19.50.)

The Coffee Table Book by Arthur Negus. Coffee tables through the ages. (Maxwell House, £27.)

The Book of Gone, by Gyles Brandreth. The latest game to sweep the country, in the wake of Go, Backgammon and Scrabble. Gone is a fascinating game played by pushing a small ball across a table with the elbow. Eventually the ball falls off and is then said to be Gone. (Paul Hamlyn, £18.)

The Sacred and Profane by Iris and Rose Murdoch. The Australian band and wife team's latest novel is about a man who finds the secret of publishing successful newspapers full pictures of undressed women. (News Limited, £18.50.)

Low Intelligence Operation by a soldier. A detailed plan to prevent a state take over of our 100 best companies, by military means. Cadres of management personnel are trained in the latest guerrilla techniques so as to effect rapid occupation of the oil, teen, washrooms, cash office, stationery store and other areas. (Aims of Industry, £24.)

My caption to one of my recent road signs "Deadly Heat Ahead", seen in Rhodesia, brought me a ticking off from a clerk who works at a mission there. He said the sign was characteristically childish and uninformative, but he tells me that signs are always followed by a sign describing the sign. He said the sign was not having used it as a pretext for exercising my prejudice against his country.

سكوت اللاليل



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TURKEY SPOILS HER CASE

In the early stages of the Cyprus crisis it was natural that there should be a lot of international sympathy for Turkey. The government of Cyprus had been taken over by forces dedicated to union with Greece, and they were backed by a singularly unpleasant Greek government. Although there had been no obvious moves against Turkish Cypriots it was rational to assume that the balance of power in Cyprus would swing even further in favour of the Greeks and that the independence of the island was threatened. The Turkish invasion, with its limited objectives, looked clumsy but politically defensible in the circumstances, and when it brought down the Greek government it earned the gratitude of democrats everywhere.

Circumstances have now changed. The new Greek government is basking in domestic and foreign approval and there is widespread worry that its stability might be endangered by further humiliation in Cyprus. Even though it was not responsible for the situation in which it finds itself it is bound to bear some responsibility for the outcome. Its threat to boycott the Geneva talks may be tactical but it is an indication of the limits beyond which it feels it cannot allow itself to be pushed.

The balance of international opinion is therefore swinging against Turkey. Her forces have clearly violated the ceasefire while trying to improve their positions. Many Cypriots have been killed or made homeless by their needless brutality, and there are now new stories of atrocities. Valuable land has been laid waste. The beautiful port of Kyrenia has been damaged, and the Turks apparently intend to continue the destruction by turning it into a busy commercial port, an act for which they will not be thanked by future generations, as Mr Ecevit, with his aesthetic sense, should understand.

All this may not be entirely the fault of Mr Ecevit, who has not been fully in control of his armed forces, but he will need all his new-found popularity at home and all his undoubted political skill to prevent Turkish policy becoming an intolerable burden on the Geneva talks. His government is probably still not strong enough to defy the mili-

tary or to explain a total withdrawal to public opinion but there can obviously be no settlement in Cyprus while part of it remains under Turkish military occupation.

The assumption is that the Turkish presence is intended as a bargaining counter in negotiations for a new political structure that would enhance the situation of the Turkish Cypriots. This in itself could be acceptable provided the aims are realistic. At the moment, Turks make up about 18.5 per cent of the population and have 30 per cent representation, but the system has been precarious and has not fully satisfied the Turks. It could scarcely be restored intact. Nor does it seem feasible to restore the key figure in that system, President Makarios, unless perhaps he is clearly called for by a majority of the population. Evidence of the torture that took place under his regime is too sufficient to cast doubts on his suitability, and his return would in any case be liable to inflame disputes that are temporarily dormant. Cyprus remains a precarious place full of armed groups and political tensions.

Something new must therefore be sought, and it must take into account a new situation including the Turkish presence on the island. Turkish leaders are talking of a federal structure. It is still unclear what this means. If it means a totally separate Turkish area into which Turkish Cypriots would be moved it would be a mistake. The movement of population would cause extensive human suffering and leave a trail of bitterness in its wake, particularly among Greek Cypriots who would be moved out of their homes and away from their land. Even in purely practical terms it would be difficult to transfer skills from one area to another, and the economy of the island would be upset. There would also be wasteful duplication of administration.

Even if the inhabitants eventually settled down, another danger would arise, for a separation of the communities could pave the way towards "double enosis"—that is, union of the Greek areas with Greece and the Turkish areas with Turkey. This would not only provide a new source of friction between the two govern-

ments but would also be unacceptable to the Soviet Union, which has a legitimate interest in the balance of power in the Mediterranean.

The Soviet Union has played a fairly restrained role in the present crisis but her restraint is conditional upon there being no basic change in the political balance. Double enosis would bring Cyprus into NATO, which would be a fairly significant change. Considering what a temptation it must be to the Soviet military to make a quick grab at Salonika or the Bosphorus, or to put various forms of pressure on Turkey, or to back more energetically the Palestine guerrilla movement, NATO might have to pay a high price.

Any settlement must therefore take into account a network of different interests involving the people of Cyprus, the governments of Greece and Turkey, NATO, the United States and the Soviet Union. The only point at which all these interests can be reconciled is an independent Cyprus with a democratically elected government and probably an enhanced degree of security and influence for the Turkish minority. The outline is fairly simple but the details will require extremely delicate constitutional adjustments as well as a high degree of cooperation between Athens and Ankara.

It is here that the most difficult problems arise. Both Greece and Turkey have recently emerged from a period of military tutelage and their governments are not as strong as their temporary popularity would suggest. Both are entering a new phase of internal politics in which they will probably have to seek accommodation with the left. In both countries Cyprus is an emotional issue bound up with national aspirations. Thus either government could be quickly eroded by anything that looked like a sell-out, and military groups would be quick to take advantage. Each therefore needs the help of the other. Since each is probably the best imaginable government for its country at present and also the most reasonable negotiating partner for the other, they should have powerful reasons for reaching agreement. But reasons alone are not enough. Constructive mediation by other countries will still be necessary.

Value of housing subsidies

From Mr Bernard Kilroy

Sir, The apprehensive groans at the tail end of your leader (July 31) about the "general rash of subsidy liabilities" obscures any sober evaluation of the need for and benefits of housing subsidies in the public sector—and the dilemmas involved.

The following points need emphasis:

- 1 If housing accounts for 20 per cent of expenditure of low-income households (13 per cent for all households) and if these costs have risen by 40 per cent during the last three years, then housing subsidies make good sense because of their likely strong and direct benefits on personal incomes.

- 2 The vagaries of the private housing market are now a major source of instability in the construction industry and thus the economy at large. Therefore injections into public housing investment which has fallen by 50 per cent since 1968 represent a welcome stabilizing influence.

- 3 Loan charges are more than ever at the mercy of the uncontrolled land market at a time when land forms a higher than high proportion of housing costs (30-40 per cent in the South East and higher in central locations). Even under the existing subsidy provisions the land factor added to the rise in interest rates has undoubtedly been a major cause of the spontaneous extra £104 million added to the subsidy estimate for 1973-74.

- 4 A £350 million public housing subsidy is matched by a concealed subsidy of perhaps £500 million in income tax relief on private owner-occupiers' mortgages. These private housing subsidies are not offering the best investment return to the country because not only new additions to the housing stock but all transactions can make an automatic call on exchequer funds. And the interest rates on private mortgages have been boosted artificially as a result of the house price spiral and the tendency for house-owners to move more frequently. Subsidies used in these circumstances simply contribute to the accumulation of private wealth and there is no offsetting advantage to the taxpayer in the form of fiscal drawback.

- 5 The average public subsidy contribution is some £61 per dwelling as against £79 per dwelling for private mortgages. An additional benefit is that public housing costs can be kept so low that the high cost of new housing can be balanced with cheaper pre-war stock. By contrast in the private sector, first-time buyers face impossible costs.

- 6 These comparisons must be made against a background of a general fall in public expenditure on housing and a shift in recent years within the total towards distributing a far greater proportion of public funds as forms of assistance to the private sector.

Yours sincerely,
BERNARD KILROY,
Housing Action 74,
386 Hornsey Road, N19.
August 1.

Pergamon Press inquiry

From Mr Robert Maxwell

Sir, In your leading article concerning the criticisms of Sir Denis Lawson by the Department of Trade and Industry (July 24) you mentioned criticisms made of me by the DTI inspectors investigating Pergamon Press. There is one striking difference between the investigations. Unlike the procedure that the DTI inspectors adopted in my case, Sir Denis Lawson and his private advisers were provided with a list of the proposed criticisms of him and invited to comment on them, thereby enabling him to know precisely what criticism of him the inspectors were minded to make and giving me an opportunity to refute such criticisms. This is a very welcome improvement in procedure and it is to be hoped that all inspectors will in future do likewise.

Yours sincerely,
ROBERT MAXWELL,
Prospective Labour Parliamentary Candidate, Buckingham.
August 2.

Arts Council grants

From Mr David Sylvester

Sir, "What is the point," cries Mr. Sylvester (in your issue of July 24) of publishing 50 new novels if nobody reads them? Or 10 large-scale poetry anthologies which mould in a publisher's warehouse? The point, surely, is that, once a poem is in print, it is there for the reader to find, which it will not as a typescript in a suitcase in a loft.

There has been a tradition by which a few individuals who were rich and wise and kind have helped writers, etc., to publish and to publish. It is a tradition which has been broken by the neglect of the arts council at the time but some of which has later become very widely and gratefully accepted. Insofar as state taxation eliminates the private patron, it becomes the responsibility of the state to take over his eccentric, indispensable role.

That is what public patronage should be about—not to whip up an audience but to ensure that things are being done around where an audience can discover them for itself when it is ready. At least, that is what patronage should be about if we are to respect the dignity of the artist and of the audience.

Yours faithfully,
DAVID SYLVESTER,
21 Melrose Road, SW18.
July 28.

London weighting

From Mr B. J. Hamill

Sir, To a simple Scot, the goings-on in London are often hard to understand. In view of the reluctance of civil servants to move to Glasgow, perhaps some kind person could explain to me how it is that the much-discussed weighting allowances seem to be designed to make them even less anxious to work in our fair city?

Yours faithfully,
B. J. HAMILL,
69 West End Park Street,
Glasgow,
July 30.

The Cyprus dispute and Nato

From Mr Alan Lee Williams, Labour MP for Havering, Hornchurch

Sir, The unwarranted Russian veto in the Security Council once again underlines the intention of exploiting the Cyprus situation to her strategic advantage. Should the Cyprus dispute continue it would do great damage to the national interests of both Greece and Turkey. This could also mark the end of Cyprus's independence as well as its gravely damaging NATO. The Russians have every interest in such a conflict which would see the collapse of the southern flank of NATO in intra-block conflict.

A politically unstable situation would arise similar to that in the Middle East with Turkey in Israel's difficult position of being the winner who takes all but in reality getting no real additional gain to her long-term security. Greece would lick her wounds and plan revenge; her domestic crisis would worsen and perhaps sufficiently badly for the communists to come to power; or the present weak civilian government dominated by the military might turn to the Soviet Union for succour just as Egypt felt constrained to do so in similar circumstances.

Cyprus would be the worst affected; the defeat of Greece could lead to a Turkish military occupation; the Cypriot insurgents with arms supplied by the Soviet Union and eastern bloc, together with general Arab support (although some Arab states might well side with the Turks), the scene would be set for even greater tragedy.

One thing seems certain, a war between Greece and Turkey would not be in the interests of NATO, which faces the same fate regardless of who wins since her independence would be destroyed. But the real loser would be the West because a Greco-Turkish conflict would destroy the southern flank of the alliance and even if the United Nations was able to restore something like normality in Cyprus, and this is a big if, NATO would never be the same again. Greece and Turkey even if they remained formal allies in NATO after fighting each other, would not be able to assist in the growth of alliance cohesion upon which the future of NATO depends, especially on its southern flank.

The failure of the United Kingdom or NATO to prevent the imbroglio in the first place would shadow an even more serious crisis and one whose solution can already be seen in NATO thinking the split between those who feel that Western Europe's long-term credibility depends on the central front and the central front alone, and those who argue that the southern flank should be built up with northern and central member states. In the long run, a more active part in the defence of Southern Europe since a failure to meet the Soviet challenge on this flank must itself destroy the credibility of NATO as a whole. This raises the wider and more important question of the strategic importance of the southern flank to NATO.

The brilliant diplomacy of the British Foreign Secretary threatens to bring about the basis of a peaceful solution on which an enduring peace even in this volatile situation could be achieved, but this does not

necessarily suit the Russians even in this so-called age of détente. Perhaps those who wish to dismantle NATO might ponder a little on these events.

Yours faithfully,
ALAN LEE WILLIAMS,
Chairman Policy Committee British Atlantic Committee,
House of Commons.
August 1.

Population ratio

From Mr I. S. Mylonas

Sir, The article on Cyprus by H. V. Hobson on Wednesday, July 31, states that the numerical proportion of the two communities is "around two to one".

For the second time this month I am obliged to write to you on this matter as the figures are 30 per cent Greek Cypriots and 18 per cent Turkish Cypriots with 2 per cent other minorities.

This is not two to one or even "around two to one" as you reported.

Yours faithfully,
I. S. MYLONAS,
Room 18,
41 North John Street,
Liverpool 2.

The Greek monarchy

From Professor Nicos Devletoglu

Sir, I believe it is necessary to explain that my survey in Greece on the opinions of the Greek people about the institution of the monarchy was a research effort seeking long-term analytical data on the subject (Letters, July 26).

The survey was carried out during multiple visits to Greece over the four-year period between 1968 and 1972 and covered five widely-separated cities: Athens, Salonika, Ioannina, Patras and Kalamata in Crete. The analysis is based on a total sample of 1,000 Greeks (50 in each of the five cities in each of the four years), accordingly chosen as representative of varying age and income groups.

As regards the plebiscite on the monarchy, which will undoubtedly have to take place in Greece, it is important to appreciate that the question posed to the Greek people shall have to be whether or not the King will be deposed and certainly not whether the King will be retained.

The difference is a crucial one. Because the monarchy in Greece was illegally and thus unacceptably "abolished" by a singularly undemocratic act of an undemocratic regime.

Of course, the argument that the Greek Government is preoccupied with the crisis in Cyprus is a compelling one, and indeed both deserves and enjoys universal sympathy. Equally, it is imperative to have on record the fervent desire of its supporters that long-standing questions of constitutional order cannot easily be ignored—even in the short run.

Sincerely,
NICOS E. DEVLETOGLU,
Professor of Economics,
University of Athens,
London School of Economics and
Political Science,
Houghton Street, WC2.

Selection in education

From the Headmaster of Bristol Grammar School

Sir, Mr Ronald Butt's article on comprehensive schools (July 18) was sufficiently ill-considered to enable Mr E. W. H. Briault in his reply on July 25 to pass over in silence what seem to many of us the real grounds for concern about universal comprehensive reorganisation in the maintained sector.

Amongst them are:

- 1 The inevitable size of 11-18 all-through comprehensive schools; they cannot provide the range of opportunity of which Mr Briault writes unless they are large. What ever may be said of external pressures to discipline, it is surely the case that discipline cannot be as easily—or perhaps as effectively—maintained in a school of 1,500 or 2,000 as in one of five or six hundred. The mere fact that the male factor is unlikely to be known to the representative of authority who happens to come upon his malefaction is a homely, everyday fact which may not make much impact on the administrator but is highly significant in practical terms.

- 2 Despite assertions to the contrary, it is far from proven that comprehensive schools can make possible the same degree of academic achievement and fulfilment on the part of able children as selective schools. For instance, the graphs and figures recently published relating to declining numbers of candidates at O and A level in Manchester in a comprehensive system (Times Educational Supplement, July 19) seem to give grounds for considerable hesitation.

- 3 Certainly here in Bristol it is abundantly clear that considerable numbers of parents want their children to be educated in selective schools. Increasing numbers of candidates for the joint entrance procedure run by three boys' direct grant schools in the city stand in the school—I have no reason to believe our experience different from that of the others, but simply cannot speak for them—a very sharp decline in recent years in the number of places not accepted as soon as offered, make clear that many parents want these schools and do not find the alternatives acceptable.

One wonders what gives schools a better title to exist than the settled desire of many responsible parents to send their children to them.

Yours faithfully,
JOHN MACKAY,
The Grammar School,
University Road,
Bristol.
July 29.

Political prisoners in Spain

From Mr Alan Grounds

Sir, With mass releases of political prisoners in Portugal, Turkey and Greece almost all the prisoners of conscience left in non-Communist Europe are now to be found in one country: Spain.

In the first 5 months of Sir Arias Navarro's premiership, 167 persons were arrested according to the Spanish publication *Mundo Social*, for "subversive activities". During this time also workers continued to receive 10-20 years sentences for trade union activities considered normal in all democratic countries, priests fined or imprisoned for supporting them, and conscientious objectors sent to prison for up to 8 years. And this immediately following Sir Arias Navarro's restoration after 35 years of the right of political association.

If such a right were to be established, however, it might have to be reconciled to an extraordinary proposal to be debated in the Spanish Parliament after the summer recess, as part of a draft "Organic Law of Justice". This would make it obligatory for all lawyers to swear an Oath of Fidelity to the government.

In the British context this would mean that only Conservative lawyers could practise during a Tory government, only Socialist lawyers during a Labour government, while lawyers of Liberal, Communist or any other persuasion would have to abandon their profession or to swear falsely in order to continue working. Under this law, if passed, the political Public Order Court would be abolished. But the same offence of illegal association, illicit propaganda, and so forth, would be tried in a new court, the Central Penal

The rates system and inflation

From Mr John V. Hatch

Sir, Mr Douglas Hurd (The Times, July 30) is right to emphasize the difficulties still facing rate-payers in Oxfordshire and elsewhere. Whether he offers a desirable solution to the problem is another matter.

The dominant feature of local government expenditure is its high labour intensity, when labour costs are likely to rise both absolutely, and in relation to other costs, over the foreseeable future. Against a sluggish, if not zero, growth in real national income this implies that even the existing level of local government services cannot be maintained unless the country as a whole is prepared to accept a cut in its real disposable income.

Statistically, it is apparent that the fundamental question is not who shall pay for the existing services, but whether the services themselves are being provided at the correct level and in the correct way. If, as Mr Hurd suggests, items such as teachers' salaries were transferred from the local to the national level, this fundamental question would go by default.

Local authorities, in the interests of their local areas, would automatically take up their maximum quota of teachers, while the quotas themselves would be largely determined by the transient monetary and fiscal pressures, upon the central government. Within a short time, local government would earn the censure of Whitehall, for being spendthrift, and incur the anger of parents for being unresponsive and erratic in its planning.

These longer term implications do not of course contradict Mr Hurd's diagnosis of the shorter term needs. In Oxfordshire alone, for instance, substantial provision was made for this year's inflation, and, indeed, the implications of a standstill and per cent cut budget, among others, were being considered long before Mr Croxall's infamous warning. Despite this, the government have permitted inflation to proceed at such a pace that a substantial increase in rate support grants is urgently required.

Yours faithfully,
JOHN V. HATCH,
Oxfordshire County Councillor,
25, Edwin Road,
Didcot, Oxfordshire.

From Mr David Petri

Sir, The article by Christopher Walker on Monday July 29 was not correct and I am not surprised that it provoked Major Henry Haydon's letter of July 31.

The National Association of Ratepayers Action Groups is not an irresponsible body seeking wild changes and fantastic new political alterations.

As spokesmen on NARAG I must tell you that it concentrates on improving the situation of all the people, all the chambers of commerce and trade. All bodies of opinion unclouded by party politics or other limitations as far as rates are concerned. It was responsible for £150m worth of Rate relief being granted in the situation of all the people, all the chambers of commerce and trade. All bodies of opinion unclouded by party politics or other limitations as far as rates are concerned. It was responsible for £150m worth of Rate relief being granted in the situation of all the people, all the chambers of commerce and trade. All bodies of opinion unclouded by party politics or other limitations as far as rates are concerned. It was responsible for £150m worth of Rate relief being granted in the situation of all the people, all the chambers of commerce and trade.

Regrettably rates cannot be separated from inflation, so NARAG must associate itself in that field as well as the pure area of rating matters.

The 10-point charter by NARAG explains explicitly what its aims are and there is a very simple leaflet available to anyone interested which lists exactly the objects and intentions of the association.

May I suggest that anyone who wishes to see the situation of all the people, all the chambers of commerce and trade, all the bodies of opinion unclouded by party politics or other limitations as far as rates are concerned, should read the true facts of NARAG and not the inaccurately reported in your columns?

Yours faithfully,
DAVID PETRI,
Little Bodles,
Newick,
Heathfield, Sussex.

A constitutional defect

From Mr H. D. Schmidt

Sir, People who are pleading for an economic cause and remedy of the present hyper-inflation are quite mistaken. The present destruction of money is not due to errors in economic thinking but to a constitutional defect.

As long as governments are permitted to debase our money in order to bribe the electorate and a two-party system offers us institutionalized class warfare, economic planning and monetary stability are impossible. In the present history of this country has shown.

It has become imperative to create economic and monetary institutions that are as independent of government as the law courts, especially in the field of money and credit management. In the present century the doctrine of the separation of powers ought to be extended to include the monetary power. The Bank of England ought to be given back its authority to manage the nation's money supply answerable not to party government but to a bipartisan committee in Parliament.

Yours truly,
H. D. SCHMIDT,
3 Carmel Terrace,
Wellingford,
Berkshire.

A critic's responsibilities

From Lord Stamp

Sir, I do not wish to revive the controversy in which I was involved eleven years ago, to which Mr Levin referred in his article (July 26) entitled "Everyman's idea of what makes a critic." If, though, he does not consider it kicking the ball after the whistle has blown—perhaps this may be regarded as injury time—one final comment I should like to make concerning the responsibilities of a critic is to suggest that the qualifications he should have are not only an expert knowledge in his field and the ability to record his impressions of any work fairly as he sees it, but also a sensitivity to the feelings of others and perhaps even a sense of humility. One would hope that these are not incompatible.

Yours faithfully,
STAMP,
7 Hyde Park Street, W2.

CONSERVATIVE AND UNIONIST

Mr Wilson says darkly but vaguely that the Conservative leaders are entering into discussions with the Ulster "extremists" whom they would not be seen dead with when they were in government. Disreputable, he says. Mr Mellish, his Chief Whip, is more precise in his allegation: the Conservative leadership is trying to buy the support of United Ulster Unionist MPs, that is the West-Craig-Paisley group of eleven, by promising them an enlarged representation for Ulster at Westminster. (It is one of the principal grievances of those MPs that Northern Ireland has markedly fewer seats at Westminster in proportion to size of electorate than is the case for England, Scotland and Wales.)

Mr Mellish's charge, if true—and Mr Ian Gilmour, the Conservative spokesman on Northern Ireland, denies its truth—would do discredit to the Conservative leadership. It would be a secret undertaking to provide something which the Conservative Party publicly professes to oppose, namely an enlargement of Ulster representation at Westminster.

The grounds of Mr Wilson's disapproval are more difficult to discern, for he is imprecise in his charges. He seems to be suggesting that it is disreputable of

Conservative leaders to hold political discussions with the United Ulster Unionist MPs either because they were on bad terms with them when in office or because those MPs include "extremists" with some paramilitary affiliations. If that is his objection, he well exemplifies why it is that Whitehall's policy towards Northern Ireland has come unstuck.

To treat the United Ulster Unionist MPs, who occupy all but one of the province's seats at Westminster, as parliamentary lepers, as people with whom no one who values his reputation would do business, is to commit the political blunder of non-comprehension. It is to prolong the error of regarding as suitable only to be denounced or ignored all those Ulstermen who do not conform to their outlook or behaviour to the ideas which the English political centre naturally forms as to how they should behave and think. Victims of their own political fastidiousness, both front benches failed to appreciate the profoundity of Protestant resentment against the imposition of well-intentioned political novelties against a background of continuing IRA violence, and then failed to get the measure of the working-class revolt against that process which demolished in a matter of days the political structures which had

issued from British policy during the previous two years. In the numbness caused by those events Labour ministers appeared to be ready to tear from their mistakes and achieve a broader understanding of what is authentic in Ulster's political life. It is depressing to hear the Prime Minister carry on now, even if he was only swinging his bat in a pre-election net, as if the lesson was already forgotten.

Nor on Mr Mellish's point about the number of Northern Ireland MPs is it wise to speak as if the matter was closed. The reluctance of most MPs to contemplate the effect of more of their own number coming from Ulster is understood and well known. While the constitutional future of Ulster is still uncertain and while the long-standing formulas for the distribution of seats in the United Kingdom Parliament remain settled, the status quo is defensible, however little Ulster politicians may like it. But neither of those conditions are likely to persist through the next Parliament. Some more lasting arrangements must be worked out for Ulster, and any substantial measure of devolution for Scotland or Wales necessarily touches upon the formulas for their representation at Westminster, even if the conclusion is no change.

Rural motorways

From Mrs Barbara Maude

Sir, Lord Holford recently wrote to you about the deplorable proposal to route a motorway through Epworth Forest in the Midlands where there are 400 miles of motorways, all cutting a swathe through valuable farming land, which also represents invaluable space for the Midlands conurbations.

In the Midlands Motorways Action Committee we have always opposed these motorways on the grounds that the Department of the Environment had not proved their necessity; also that their traffic predictions for 1990 were too high. At the public inquiry into the M40 and M42 the Department of the Environment admitted the truth of this; but gave no sign of moderating their extravagant demands on road space as a result.

But they themselves have now produced a new technical document which radically increases the "design capacity" for every category of road. Thus, where a dual three-lane motorway was previously thought to be capable of carrying approximately only 41,000 vehicles every 16-hour day; it is now deemed to be capable of carrying approximately 85,000 vehicles per day, and so on. The effect of this must be that where flows on existing roads were used as justification for building new motorways, because the road in question was "overloaded," this is now no longer so.

It appears, therefore, that the case for all new motorways, at present proposed, falls to the ground and we should be justified in expecting the Department of the Environment not

only to halt all those plans now being put into operation, but also to reevaluate all plans either under inquiry or in the pipeline, in the light of this new capacity standard. The matter is more urgent in that recent contract prices show the cost of building rural motorways to be £2 million a mile. In addition there is the fact that recent traffic volume counts, on the M1 and other existing motorways, show that traffic is currently between 4 per cent and 30 per cent down, compared with the same period last year.

In these circumstances, can plans for future motorway construction, with its extravagant land take of 32 acres per mile, and from 100-150 acres for every interchange, possibly be in the public interest?

Yours faithfully,
BARBARA MAUDE, Chairman,
Midland Motorways Action Committee,
South Banbury House,
North Banbury,
Oxfordshire.

Editors and unions

From Mr H. H. Wall

Sir, The correspondence between Ken Morgan and Bob Farmer on current NUJ attitudes towards the closed shop and the role of editors during industrial disputes, fails to underline sufficiently the variation between union policy and its interpretation.

As a full NUJ member and an editor, I am far from reassured by Mr Morgan that the industrial scene is not being strewn with additional hazards for editors.

Mr Morgan quotes the NUJ's annual conference's reaffirmation that editors are free to continue

normal work, even though their colleagues may be on strike. But he did not make it clear that this decision was not so much a reaffirmation as an imposition of tighter control on what an editor may do, particularly if he has several newspapers within his group.

Similarly, the conference decision to abolish associate membership and bring editors into full membership was not intended primarily to involve editors in rank and file union activities but to establish greater control over them.

During the recent SOGAT dispute the NUJ issued instructions to members not to cross SOGAT picket lines. That ruling contained no dispensation for NUJ editors, despite the conference decision. Fortunately, the ruling was never put to the test, but the implication remains that in crossing picket lines an editor would not only have to satisfy his NUJ colleagues that he had sanction to work but would also have had to persuade pickets from another union that this was so.

Mr Morgan's statement that a post-union closed shop was union policy for many years is true. But again he does not make it clear that this policy was never directed towards recruiting editors. In fact, NUJ members who became editors were discouraged from active union membership.

Editors, by the nature of their jobs, straddle the bridge between management and their journalistic staff. That bridge now looks like being converted into a fence.

Yours etc.,
H. H. WALL, Editor,
South London Press,
2-6 Leigham Court Road,
Streatham, SW16.

Management

Heart-searching over two-tier boards

I suppose the most piquant thing in personal reform proposals for company reform on the German model is the fact that officers of public companies could no longer be chairman and chief executive.

The second is comparatively novel and itself an import from the United States; the combination of status is deep-rooted in the status consciousness of British industry.

The two-tier board means that direction and management are formally separated: the chief executive is chairman of the management board. As a member of the management board he cannot be a member of the supervisory board. For a number of eminent industrialists this must be a concept more unsettling to them as individuals than the appearance on the board of a number of directors elected and in one way or another accountable to the employees.

The position at the "head" of an organization is immensely formal as well as practical. The point has been well put by George Millar, the American psychologist: "Change a man's image of himself and you send a jar reverberating through the foundations of his society. Those who are in positions of power are particularly sensitive to tremors in the structure that supports them. They will not let man move from the centre of the universe or evolve from a monkey without protest. And this protest will be passionate and merciless."

I cannot myself believe that an argument about whether the difference between "direction" and "management" should be marked by an institutional division will produce quite such a passion as the researches of

Galileo and Darwin. It has already produced some, and it may well produce more as important individuals discover precisely what the other side of the argument means.

In fact, it is fairly common in British companies to have the "management board" at the head of the board in general, although few mark the fact as precisely as Marks and Spencer, with its five joint managing directors. There is no evidence that a company with such a structure is less efficient or less benign than companies whose direction is designed differently.

For all we know its structure is neutral in these respects. The Industrial Society has just brought out a new tract which wants five year experiments in participation because we know so little, and comments: "The larger the company, the fewer the actual management decisions taken at boardroom level—and it is those management decisions in which employees are most interested and most vitally concerned. This is not to say that there should not be participation at board level. It is just that the board receives undue prominence in the discussion... In Britain we still retain the unitary board system. It is difficult to see why we should deny it lightly from systems which have served us well in the search for some improvement which might or might not come."

As it happens, the current number of the *British Journal of Industrial Relations* gives an illuminating glimpse of the social interaction (on which presumably participation must be composed) of directors with other employees of a company. Some ideas of the findings may be seen in Mr J. T. Winkler's

choice of title for his article, *The Ghost at the Bargaining Table*, which is based on the industrial relations findings of the British Director Project funded by the Institute of Directors—but still 85 per cent of the companies approached refused to take part.

Mr Winkler observes two major tendencies among directors. Non-contact: "Most conspicuously absent from the environments of the directors were workers... Trips to outlying plants or offices took on the spirit of a military inspection tour. If normal work routine did not provide much contact with workers, casual interaction was similarly restricted by physical and social structures."

Anti-concern: "Directors conceived of workers almost exclusively as a cost... That they also saw workers as only making 'excessive' wage demands and not a cooperative contribution to the company's success... The correlation of such an orientation of directors with the over-enthusiastic rejection of status differentials, and in return they exhibited heightened expectations of orderliness and cooperation from workers."

On the other hand, he supposes that some people would think it encouraging that the principles of contemporary management theory should be so broadly implemented in practice. But, he says, "when workers are demanding a place in the boardroom it seems shortsighted for directors to absent themselves from the shop-floor."

Perhaps one can generalize a little. What title one carries does not necessarily indicate the limits of choice available to one person. After all, Alexander the Great went off to his head office in a chariot which was unusually successful.

lens, inferior to 'policy-making' problems, and should be delegated to subordinates."

iii. Preferences: "Top managers want exciting as well as profitable companies. They are interested in the new and unusual (eg growth strategy, negotiating deals, unique technical problems, takeovers, new products, management succession), not the hazy, routine functioning of established systems... they made 'dull' work someone else's work."

iv. Interests: "In practical terms the directors made the maintenance of order part of the job specification of subordinates and/or personnel specialists. The expectation of order became a performance standard; there should be no interruptions to routine because the boss wants none."

Mr Winkler found some progress in this picture unduly negative; but in his opinion, their enlightenment consisted in a principled rejection of the more overt manifestations of status differentials, and in return they exhibited heightened expectations of orderliness and cooperation from workers.

On the other hand, he supposes that some people would think it encouraging that the principles of contemporary management theory should be so broadly implemented in practice. But, he says, "when workers are demanding a place in the boardroom it seems shortsighted for directors to absent themselves from the shop-floor."

Perhaps one can generalize a little. What title one carries does not necessarily indicate the limits of choice available to one person. After all, Alexander the Great went off to his head office in a chariot which was unusually successful.

If Mr Winkler is right, the board "culture" customary in this country tends to demand routine performance below board level. He would like to see the company (and some other research supports this view); this must involve ignoring creative talent throughout the organization, except where the talent is used in a specialized way.

The talent need not be "wasted", since the employee may use it for his own purposes outside of working hours. But the board can hardly expect commitment, enthusiasm or, for that matter, automatic agreement that "the system has served us well."

Served whom? One person can do only so much; beyond his direct personal dealings, his influence is symbolic and subject to distortion that he may never hear about and could not control. It is perfectly innocent, like that by the employee of a multinational who said that the chief executive had come over from America.

It seems pretty clear that the Industrial Society pamphlet is too hasty in dismissing the importance of the boardroom—it is the exhilarating activities of the board that produce changes in structure of the organization, and these in turn lead to more formality, more repetitive decisions in running it. And one man's orderly procedure is another's soul-destroying routine.

*Practical Policies for Participation. Industrial Society, £1.

*British Journal of Industrial Relations: vol XII, no 2. London School of Economics, £2 (£6.50 for three issues a year).

Innis Macbeath

LETTERS TO THE EDITOR

A practical look at Meriden

From Mr A. E. Perrigo

Sir, As an executive in the British motor-cycle industry for over 40 years (now retired), almost the whole of which were spent in the employ of the BSA/Triumph company, for whom I travelled the world, I have been reading the news and comment in the press in recent weeks with growing amazement and irritation, not so much at what has been written, but at what has been left unsaid.

My only interest is to see the British industry fight back and progress, and I was full of optimism when NVT merged with BSA/Triumph last year, bringing together the best available brains and skills in the industry, under a leader whose dynamism we respect, and whose ability has been proved by his rescue of Norton from the wreckage of AMC. I have no wish to pour cold water on the latest plans, but the article by Leslie Hucklefield, MP (July 30) prompts me to set down some of the facts which seem to have been glossed over.

Mr Hucklefield's article talks of Meriden, its men, its bikes, with enthusiasm and pride. One might be forgiven for thinking that here was a successful enterprise that has simply fallen on hard times.

It cannot be repeated often enough that Triumph crashed in 1973, and was hopelessly in liquidation with an £11m overdraft. This was the enterprise NVT inherited, and which it is attempting to rebuild. Rational comment must start from this point.

1.—Mr Hucklefield quotes the recommendation of Cooper & Lytle, auditors, that the BSA/Triumph company, unless this is frankly realized and firmly dealt with, there is a grave risk of the new Meriden following the same road to disaster.

2.—The article by Leslie Hucklefield, MP (July 30) prompts me to set down some of the facts which seem to have been glossed over.

3.—On top of this record, the Meriden factory paid rates in excess of those at Small Heath and of what could possibly be justified economically. The factory was grossly over-

manned, as has now been admitted by the leaders of the cooperative. It was geared, staffed, manned and paid on the basis of a production of 50,000 bikes a year, which it never achieved; its best year was around 30,000.

4.—Mr Hucklefield says he went to the States and secured an order for 5,000 bikes. All of us with experience in the business know that this means nothing. The industry's problem has never been that of selling, but of manufacturing motor cycles at competitive prices, to acceptable standards of quality and design. In this Meriden signally failed in recent years.

5.—He goes on to extol the virtues of the Bonneville models, to be continued at Meriden. This was a great machine—15 years ago, if Mr Hucklefield thinks this kind of model can compete with what he calls the "gadget-ridden sophistication of the Japanese", he is deluding himself and grossly misleading the Meriden men.

6.—Surely we must be forward-looking if the industry is to succeed. NVT have, I know, exciting new projects under development. Is it not a tragedy to pour money into an enterprise of doubtful viability (the official view), which is to plod on with outdated and out-moded models, if by doing so the development of the new generation of British bikes is put back, possibly killed?

7.—The hard facts are that the record of Meriden, its excessively high wages, low production and frequent disruptions, undoubtedly played a part in the BSA/Triumph company's failure. Unless this is frankly realized and firmly dealt with, there is a grave risk of the new Meriden following the same road to disaster.

Yours faithfully, A. E. PERRIGO, 33 Primrose Croft, Hall Green, Birmingham B28 0JP.

From Mr A. K. Angus
Sir, I read your article "Meriden—Localism without Logic" (July 30) with considerable surprise, being a motor cyclist since 1947, an ex-Royal Signals DR and the former secretary of the late A24 Motor Cycle Club.

The motor cyclists and motor cycle industry have for some years had a very real deal at the hands of successive governments and the taxpayer is now reaping the "benefits" of this welfare state.

The trouble started some years ago when the government of the day put a higher rate of purchase tax on motor cycles than on cars to boost exports, for the industry was pro rata the highest dollar earner.

The result was that the home market shrank, helped by the government's restriction on 250cc machines for learners, which the industry was ill-prepared to meet at such short notice, and with credit restrictions on their finances.

At the same time this country was deluged with cheaper foreign motor cycles (government-subsidized) with the sole intention of knocking our industry out.

While not wishing to stop importing foreign machines, I feel that the Government has brought about this situation by not protecting the home market within reason, and should do this if taxpayers' money is to finance our industry, or we shall get no return.

I am a socialist but feel that there is a "mortal illness" in financing Norton Villiers Triumph and the Meriden factory co-operative.

The raising of the age limit for motorcycling and the same one for pensioners passenger car insurance at swinging rates whether one carries a passenger or not does not help.

Yours faithfully, A. K. ANGUS, 4 Cissbury Gardens, Findon Valley, Worthing, Sussex.

From Mr Graham Arnold
Sir, During the sixties I was sales director of one of Britain's largest manufacturers of high-performance sports cars. Much of our business was done in the highly volatile North American market. It was there that I learned that an order is only an order when one has an irrevocable letter of credit.

Also during that time I was asked for an opinion by Mr Benn's then Ministry of Technology, on the viability of Beagle aircraft, then claiming a "full order book" mostly from the United States market.

I discovered that "offset projections" were being seen as firm orders, so if a dealer asked for a machine each month for six months, and the factory supplied none, the order book showed 18 orders!

I wonder how strong Mr Hucklefield's claim to hold an order for 5,000 motor cycle really is, because if he has a "full order book" for them, could he be loaded at the bank so as greatly to enhance the firm's borrowing capacity?

Yours faithfully, GRAHAM ARNOLD, Sales director, Lotus Cars Ltd 1963-1970, 9 Cumberland Mansions, West End Lane, London, NW6.

Technical Lump
From Mr C. E. Hayter
Sir, The problems of the oil-lump labour in the building industry have been voiced in your columns, but I am concerned about self-employed technical staff and draughtsmen.

Most of these draughtsmen operate through agencies which are used by Government departments, public authorities and the industry itself. This practice provides the opportunity for the avoidance on a grand scale, as the resulting enhanced rate produces inequalities between agency staff and permanent staff doing similar work.

As far as the building services sector of the building industry is concerned, this is even more serious than the ordinary lump I therefore hope that effective Government action will be taken to deal with the worst excesses of the "white collar lump".

Yours faithfully, C. E. HAYTER, Commercial Secretary, Heating and Ventilation Contractors' Association, Coastal Chambers, 172 Buckingham Palace Road, London SW1W 9TD, July 30.

Value for money
From the Rev Dr Peter Hamilton
Sir, I hope that your readers will include both the Chancellor of the Exchequer and his shadow for I would like these gentlemen to know that on a short holiday in Paris recently I dined at a small restaurant termed a *Relais*, for which the sum stated for the price of the *Guide Michelin*. The edition must have gone to press in the closing months of 1971.

Our very serious problem over inflation are not, apparently, shared by all our neighbours—which makes them even more serious.

Yours faithfully, PETER HAMILTON, Chaplain of Brighton College, 26 Walpole Road, Brighton, BN2 2EA, July 29.

Woolly thinking
From Mr N. P. Palmer
Sir, Would you permit me to correct what may be a leading statement by your correspondent, Mr R. Church, with regard to the protection afforded by cotton wool in the prevention of industrial deafness.

Cotton wool has almost a zero attenuation level and is considered by most people to be harmful. It does provide a user with a feeling of security but in fact does nothing towards the reduction of noise level received by the user.

Yours faithfully, N. P. PALMER, 123, Green Meadow Road, Selly Oak, Birmingham, 29.

What to do about redundancy

All experts seem agreed that unemployment is likely to rise over the next 18 months. Just how far it goes up will depend on what action is taken by the Government, but it seems inevitable that some firms are going to face severe cutbacks.

The whole question of redundancy is an emotive one, and the latest report by the British Institute of Management* is an interesting and useful guide for firms about how their competitors deal with the problem.

There is no good way of making a man redundant, but it is possible to do something to alleviate the hardship caused and reduce the bitterness which so often results. The BIM has carried out a survey of the redundancy policies of 350 firms. Over half of them have a redundancy policy even when there is no immediate need to deal with the problem.

The most common thing to emerge from the report is that redundancy policy in this country, partly because the Government has stepped in to impose requirements in this direction, is very much a question of providing compensation for workers who lose their jobs. This is not because anyone believes that just providing a pay-

ment can make up for the loss of a job, and possibly self-respect. Indeed, one personnel manager is quoted as saying that "redundancy is such an emotive thing that money is not really the main thing, it's the way you handle it."

Yet of the money which is spent in this country on redundancy and retraining, only 20 per cent goes towards equipping them to get a new job. The rest is a cash payment which will tide workers over for a few months, but can do little to make sure that workers will have a secure future.

There does seem to be a general recognition, at least among more enlightened employers, that it is no longer enough merely to carry out the legal requirements of the Redundancy Payments Act. There have been a number of sit-ins at factories where firms have tried to get rid of redundancy without getting the necessary consent from the work force, and this is likely to be more important than ever in the future to make sure there is general acceptance by the workers that redundancy is inevitable.

The companies which are most likely to have instituted their policies for making

sure that this is so, and for reducing the disruption which is caused by redundancy, are not surprisingly the big ones. This may not be solely due to small companies' unwillingness or inability to plan ahead. Many of them clearly feel that at their scale of operations it is possible to reach agreement on a much more informal basis.

Trade unions, of course, will almost always be opposed to redundancy, and it might be that in consultations with management some scheme emerges which means that redundancies are no longer necessary.

But if redundancy cannot be avoided or if workers cannot be transferred to other factories, the advance warning which consultation gives to workers does at least make it easier for them to cope.

When the company has decided how many redundancies are necessary, the next, and possibly even more difficult, task is to decide who will be made redundant. There seems to be a consensus about the criteria which are used in choosing at least two groups. The most likely to be asked to leave are those who are over normal retiring age. A total of 64 per cent of firms said that this was the case. The other large group,

and generally speaking the easiest to deal with, are those who become voluntarily redundant.

There are of course problems in allowing people to choose to leave, since it may leave the firm with a work force of those who are least equipped to get jobs elsewhere. But it does avoid the prospect of the real social difficulties which can occur if the other major principle which is used by companies is adopted.

This is the "last in, first out" rule. Many companies cite this as a principle they apply but few of them seem to rate it very highly. Only 18 per cent of companies in the survey said that this was the major criterion.

The problems are obvious. Not only might this mean that the younger workers are dismissed, leaving an aging work force. It could also create a morale problem, since those trapped in a continuous cycle of redundancy since they will never get the chance to establish long service at a company.

The other criterion which many firms would like to adopt, but few can in fact apply, is to get rid of those who are not work records. Companies almost certainly use this criterion more

than is reflected by the 48 per cent who acknowledged it in the questionnaire, a point which is brought out by the report.

The final choice which faces most companies in a redundancy situation is what they should do to help those who are being dismissed. Many companies (over 88 per cent in the case of clerical and manual workers) are prepared to consider allowing employees to leave earlier than planned if this will help them to find a job. Some give pay for time off to look for another job (16 per cent do not do this for their manual workers).

Apart from these non-financial acts of assistance, backed up by redundancy counselling in cooperation with other employers and the Department of Employment and possibly even a special resettlement officer, companies basically see their job as making financial compensation for the loss of work.

*Redundancy Policies. A survey of current practice in 350 companies, by Catherine M. Smith, Management survey report No 20, British Institute of Management. Price £6.

David Blake

Industry in the regions

Tourism versus oil: a delicate balance

It is both tidy and politic that the maximum amount of on-shore activity generated by the oil platform yards should be shepherded to west central Scotland. There wait the unemployed and the infrastructure to serve the new yards.

The Clyde has the flat land bordering deep water which the platform builders require, and it seems a reasonable assumption that Mr Ross, Secretary of State for Scotland, should direct that sites for platform construction could be made available at Hunterston on the Clyde.

His announcement, perhaps, eases the pressure on the highly sensitive north-west coast—a decision from Mr Ross on the Loch Corran saga is imminent—but it has brought demand for sites heavily upon the lochs and coastline of Argyll.

Only a part of the demand for platform sites will be satisfied by Hunterston. It seems likely that some companies may find the multiple site there unsuitable for technical reasons. It remains to be seen how many platform builders can carry on without disturbing the water supplies to the nuclear power stations on the peninsula.

It also remains to be seen how many unemployed in west central Scotland will be persuaded to work at the new yards. For example, when the Upper Clyde Shipbuilders collapsed and it seemed that about 2,000 men would be thrown out of work, the shipyards on the lower Clyde received fewer than 30 applications for jobs in a precisely similar industry.

The higher wages offered by the oil platform yards could overcome the Clydeside workers' seeming reluctance to uproot and work elsewhere but some firms believe that finding the labour, even in a region of purported unemployment, could be difficult particularly when a number of yards have been established and are recruiting workers.

Even so it seems that by sheer force of events the Clyde is to become the main centre for oil platform building. While most of the incentive over development was firmly focused on Drumbie in Loch Carron the earth movers began shifting a million cubic feet of sea shore at Ardyne Point, Argyll, to form

two giant basins for platform construction. With a third basin "joining" the McAlpine-Sea Tank Yards will occupy 100 acres for handling orders worth approaching £100m and will rank as Europe's biggest concrete platform yard.

Ardyne is the only yard so far functioning in Argyll, but it is not the only one. The concrete or steel structures have been made for as many separate locations along the coast's tortuous coastline. The council has recommended two areas where the land should be re-zoned for industrial use, the Esm Leonard Fairclough development at Black Rock, Campbelltown and the Esm project by Sea Platform Constructors (Scotland), a British-Dutch consortium at Portavadie, overlooking the tourist centre of Largs.

This scheme is to go to a public inquiry which effectively prevents the consortium from making any realistic tender for the platforms which will be required by Shell and Mobil.

So far the projects aimed by the oil industry at Argyll are valued at more than £350m and the county council, suddenly presented with this remarkable shift in fortune, is congratulating itself on having the structural firm under control with a balance being drawn between the new heavy industry and the county's biggest breadwinner, tourism. They feel the visual damage to Glasgow's most immediate "lung" is so far acceptable.

But the pressure is growing on both sides. Decisions are pending on schemes which could unleash a line of 6,000 high platform in the picturesque waters of Loch Fyne. Several platform constructors have shown interest in pockets of deep water in the lochs for building these massive structures.

Meanwhile the farmers, the herring fishers, established local industry which is unhappy about the prospect of competing with the oil yards for labour and the people who enjoy Argyll because it is peaceful and unspoiled, grow increasingly concerned about the end result of welcoming industry.

Ronald Faux

Freight report

Cut sought in time charters

The New England Petroleum Corporation (Nepco), an American oil company, has asked the owners of at least three tankers to book during the boom period last June to take a cut in time charter rates.

A broker who was the intermediary in the original charters for two of the vessels, confirmed that Nepco made the original approach more than a week ago. His principals, a state-owned shipping company, have so far declined to negotiate, he said. Nepco which owns 65 per cent of a refinery in the Bahamas is reported to have been in difficulties for some time. The ship it booked last year were taken at a time when charter rates were about Worldscale 140 (\$14.52 a ton).

In the past weeks it has been forced to re-let many of them for rates as low as \$10 a ton, a cut to the North Atlantic for as little as Worldscale 60 (\$6.23).

Facing such losses, the brokers said Nepco decided that the only way out was to try to persuade owners to accept a lower level of freight. It is not the first time that a charterer has been in such a situation. Occidental's charter affiliate, Concord, had the same problem during the last tanker depression in 1972.

It appears that owners are only safe if they fix period time charters with the major oil companies and nobody else, an observer said. Nevertheless, it is a lesson that owners will find unpalatable and one which will be forgotten once freight rates rise back to profitable levels.

The freight markets outlook was extremely depressing. One company was said to have put seven tankers, varying in size from 70,000 tons to 230,000 tons on the period market. Tankers in some cases were hired at rates around the \$5 a ton a month mark.

Today they would be lucky to get \$3 on any medium-length charter of between two and three years.

Dexion-Comino

In Friday's Business News we inadvertently stated that the Interlake takeover bid for Dexion-Comino International had been withdrawn. The offer was withdrawn on July 23, in fact, a proposed bid by an unnamed company.

British quota of heavy wines to be increased

An increased quota of port, madeira and muscatel at reduced tariff rates is to go to the British wine trade next year.

While welcoming the increase, Mr David Rutherford, chairman of the Wine & Spirit Association, doubted if it would be sufficient to meet increasing consumption.

The volume of bottled port which can be imported at reduced duty rates has been increased by 38 per cent from 1,590 hectolitres in 1974 to 2,200 next year. There has been a much smaller rise in bottled port allowances of about 5 to 6 per cent to 64,550 hectolitres.

New EEC regulations which require all vintage port to be bottled at source has put additional strain on quota allowances.

If the quota is exhausted, shippers will have to pay higher duty rates.

Business appointments

Mr M Edwardes to be new chief for Chloride

Mr Michael Edwardes is to become chairman and chief executive of Chloride when Mr Edward Powell resigns chairman during this financial year. Mr David Cochrane, finance and central resources director, will take on additional responsibilities and has been appointed executive vice-chairman.

Mr Peter Clayton is the new financial controller of Epsom. Mr Peter Bestwood has been appointed managing director of General Automation.

Mr Maurice Marks, head of the economics and statistics department of Unilever, has been made a part-time member of the board of British Airports Authority.

On his assumption of additional responsibilities as chairman of Mercur Securities and Warburg, Sir Eric Roll has resigned from the board of Lloyds Bank International.

Mr J. J. Barrett, a deputy chairman of ICI plastics division and chairman of Bexford, has been appointed director of Courage Group Holdings. Mr N. J. Kiely, chairman and managing director of Oatland, and Dr A. R. A. Beeber, group technology director, Oatland, have been appointed directors of Bexford.

Mr D. J. Brodick and Mr B. Ellison have been made directors of Leslie & Godwin (UK). Mr Alastair Macgillivray has been appointed financial director of Auditronics Holdings. Mr

Property slump hits John Lewis carpet sales

Sluggish property sales may have contributed to decreases in carpet and furniture retail trade, according to the John Lewis Partnership.

During the first 25 weeks of the year the group's carpet sales were 11 per cent below those of last year and there was also a dip in furniture sales.

The John Lewis results for the six months ending in July for its department stores and specialist shops were only 9.1 per cent up on last year, against an estimated increase of 10.3 per cent.

If allowance is made for the new Edinburgh store opened during the year, the comparable increases were even lower.

The group said at the weekend that its half-year ended on August 4 had seen department store sales only 7.8 per cent above the corresponding week last year.

Problems of investing more

From Mr J. P. Read
Sir, One understands that the Government considers it is important for us to invest more. However, why should one do so?

If one spends any surplus cash one is reasonably sure, as far as one can see, of getting better value for it now rather than later. If one invests it, however, there is no relief against income for any losses and any profit is taxed. If one is very successful there is steeply increased taxation on the income and the possibility at any time of making a loss as a result of government action to reduce the value of one's investment. In addition to the extent that any realized profit is caused by inflation one's real

capital is reduced by capital gains tax.

It seems clear from this that government policy discourages severely investment by individuals, particularly those who are successful. How, therefore, can one have any confidence when there appears to be such a disparity between what one hears, which itself varies substantially, and the policies that one has to take into account when planning any investment.

Much is made nowadays of the state of affairs in the country and one can see that matters are unlikely to improve in the above is an example of the standard of government.

Yours faithfully, J. P. READ, 1 Golders Park Close, West Heath Avenue, London NW11 7QR.

It requires new procedures (the ratings are not, in truth, "continuous" consultation with the public, because the fact that somebody watched a programme tells one nothing about whether he liked it or not, and why, or whether he only watched it because it was the best of a bad lot).

New comments in research method now exist which enable people to reply to questions freely, in their own words, and the answers to be processed, economically, from statistical samples without loss of detail.

This could be the basis for a real consultation, which would aid the creation of original and successful programmes far more effectively than the Luddite elitism of Mr Crewe.

Yours sincerely, COLIN McDONALD, Associate Director, British Market Research Bureau, Saunders House, 53, The Mall, Ealing, London, W5

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BY THE FINANCIAL EDITOR

A no-win game for the life offices



Sir Archibald Forbes, chairman of Midland and International Bank: revaluation of shareholdings.

looking to broaden its trading base, the need for which is clearly demonstrated by the sharply lower profit from book-making in the six months to June 30. The rise in the levy on off-course betting, small fields and too many favourites finishing first all took their toll and it was the casino interests, where takings fell in 1973, that cushioned the profit fall.

As for the earnings, these bingo halls brought in property, with the two-acre Blackpool site for which it has just received planning permission for a "leisure complex" estimated by Coral to be worth nearly £2m alone, which compares with the £3.25m paid for all 14 bingo halls. That is clearly a further attraction for a group like GRA, which while unlikely to bid 135p for Coral, is certainly going to pay a good deal more than the current price. That is not reflected in a p/e ratio of 4.5, assuming maintained earnings this year, and an 11 per cent yield.

Interim 1974 (1973)
Capitalization £10.3m (£5.0m)
Turnover £63m (£50m)
Pre-tax profits £2.49m (£2.86m)

Barlow Rand/Union
An acceptable package

When the original terms of the Barlow Rand-Union Corporation merger were announced in mid-July, I recommended that Union Corporation shareholders should switch into UC investments, the junior partner with a greater orientation towards mining. Then UC Investments were 300p; on Friday they closed at 365p, whereas Union Corporation had dropped at one point to 260p from the level of 285p after the deal first emerged.

The fact that UC recovered to 315p before the suspension on Friday was fuelled by two factors—the well-founded hopes that the terms would be revised and readjusted and strong rumours that Gold Fields of South Africa may make a counter offer at an appreciably higher price.

Two questions must be answered this morning when the deal is resorted to. What will the new UC share price be on the new terms, and should UC Investments shareholders take their profit?

UC shareholders will now end up with 51 per cent of Union Corporation shares in the calculation. In terms of net asset value, UC had assets of 479p a share last December and under the original terms would have seen this diluted to 314p—now raised to around 390p a share. Another factor in establishing a lower price is the evaluation of the deferred shares which are not entitled to dividends until after the financial year ending September, 1977.

If, however, one assumes that Barlow Rand is yielding a speculative 61 per cent and discounts this over three years at, say, 12 per cent, then the deferred shares would have a notional discount on the ordinary of about 20 per cent. Applying this to the proposed terms, and assuming Barlow Rand remains at 195p, then a value of 341p is established for UC.

So even though the logic of the merger has still to be fully explained, UC shareholders do now clearly get a fairly acceptable financial deal and the share price would now appear to be underpinned at usefully over the 300p level, unless the Barlow Rand price falls.

As for UC Investments, the relative rating against the mining finance houses should be enhanced in the long term. What militates slightly in favour of a switch back into UC is the possibility of a counterbid. But there seems every chance that if this rumour is substantiated, UC Investments will not itself remain independent for ever. The gamble on retaining these shares looks a good one.

J. Coral Holdings
Waiting for a move by GRA

GRA Property Trust, with 27 per cent of J. Coral and now boardroom representation, will before long almost certainly try to arrange a merger of the two groups: though with Coral at 65p on Friday, an offer at the 135p GRA paid Giltspur for its strategic shareholding looks out of court. And since that deal was done in March of this year, GRA would need Takeover Panel permission to bid anything less within 12 months of buying the stake.

So a marriage around the middle of 1975 is in prospect and in the meantime, Coral stands to groom itself for the happy day by reversing out of its 14 per cent shareholding in Associated Leisure, an interest that is barely washing its face and is growing less valuable as time goes by. The possibility of GRA making on the burden and thus drawing Coral still closer has been mooted.

What Coral is also doing is

the first of two articles on the troubles of financial institutions

How the days of plenty in the City came to an end

A spate of failures, near-failures and rumours of failures yet to come by financial institutions has provided a grim continuo for the now familiar theme of impending economic doom.

Apart from a loss of confidence in the institutions themselves, and in the financial markets which they operate, there is a natural tendency to assume that an epidemic of insolencies may prove to be the harbinger, or even the cause, of economic plague.

Yet despite the frequency of these institutional problems, in Britain and elsewhere, it is as hard as ever to gauge their true extent.

To make the task easier, most of the problems can be divided into two broad categories. The first spring from the noxious combination of sharp increases in interest rates and falls in the value of shares, bonds, properties and other assets.

The second reflect the volatility of the foreign exchange markets since the start of the era of floating rates of exchange.

Many of the institutions affected by these developments had grown up and prospered in entirely different circumstances. As long as interest rates were low, monetary conditions easy and optimism rampant, it was possible for them to raise money at little real cost after allowing for inflation, and use the money to buy rapidly appreciating assets such as ordinary shares and commercial properties, or even the very least to conserve a handsome "banker's turn" by lending the money on to high-risk borrowers or by investing it in high-yielding bonds.

Foreign exchange dealers for their part were able to generate heavily on overvaluations and revaluations in the knowledge that the potential profits were vast and that the only big losers were central banks who attempted to defend unsustainable price levels.

Money could be made so easily that old standards of financial prudence were frequently ignored. The rapid and largely uncontrolled growth of the domestic and foreign currency deposit markets in London and elsewhere led to a proliferation of banking institutions whose very number made the old checks and balances of self-regulation unworkable.

The old, large banks might disapprove of some of the practices of the young, small ones; but they still felt funds indiscreetly on the money markets, and they were anxious to use as they wished.

This erosion of standards scarcely seemed to matter as long as circumstances worked in the institutions' favour. But eventually—the wheel turned. Inflation itself, and official attempts to curb it, led to rapid increases in borrowing costs, which in their turn had their textbook effect of depressing asset values.

Those institutions who had gambled heavily on a continuation of the good times found themselves caught in the pincer movement of mounting financing costs and an erosion of their net worth. In some cases that net worth—the surplus of their assets over their liabilities—was entirely eliminated.

At the same time, the scope to make wrong view of foreign exchange movements became greater and more costly than ever before. Exchange rates began to swing by more in a single day than the whole of the previous year.

With central banks no longer the aunt Sally of the system, one commercial operator's profit became another's loss.

The casualty list has been long. Some, like Westdeutsche Landesbank, have been able to live with their losses. Others, like Herstatt and Franklin National, have not. In Britain, where the scope for debilitated foreign exchange losses is mercifully limited by official dealing controls, the principal casualties have been the so-called secondary banks, where the poor quality of their sterling loan and investment portfolios precipitated the withdrawal of deposits.

The result of these institutions' problems has been all too apparent in the financial markets where they operate. Both the sterling and foreign currency deposit markets have taken fright just at the time when they need all the nerve they can muster if they are to perform their fundamental task of moving liquid assets from places where they are not needed to places where they are.

Thus on the Eurocurrency markets, inter-bank credit lines have been reassessed and cut at the very stage when the need for confidence among institutions is paramount if the mounting oil flows are to be recycled responsibly. There is mounting evidence that the ultimate owners of the funds may themselves now prefer to lend or invest them directly, rather than trust them to banks which they may regard as inadequately capitalized, managed or controlled.

On the domestic front, there is now a similar desire by many institutions to bypass the fragile sterling money markets and place their funds directly with those few other institutions that they wholly trust. This has necessitated the direct injection of funds by clearing banks, major life offices and the other giants of the system into their troubled brethren. The difficulties that even large local authorities are now experiencing in obtaining funds on the money markets indicates the seriousness of the problem.

Since the Herstatt affair, even the foreign exchange market has suffered a major loss of self-confidence. The chilling realization that a normal spot foreign exchange transaction between two banks could expose one party to the risk of default by the other led to an estimated contraction of over 50 per cent in the volume of business.

Nor, of course, have the problems been limited to banks. Widening income deficits and falling asset values have dealt a fatal blow to several of Britain's more aggressive property groups. Unjustified stock market optimism—coupled with high borrowing costs—has put paid to a handful of stockbroking firms.

In some ways, the problems of individual institutions per se should not be particularly worrying, since whether they fail or not is a decision very much in the lap of governments and central banks. In countries like Britain, where the sense of official responsibility for the wellbeing of the financial system is great, it remains frankly inconceivable that a major institution would be allowed to crash.

Although the precise framework of regulatory controls clearly leaves much to be desired, there is no shortage of expedients to which officialdom could turn in need. Cash injections, capital reconstruction, takeover—even nationalization—were among the options that would be available to ensure a successful rescue operation for a major institution if one were needed.

There is, of course, a natural and healthy desire not to protect fools from the consequences of their folly. To that extent, rescue operations involve a legitimate exercise of judgment as to who precisely is entitled to be rescued. Does one underwrite a whole operation—management, shareholders and all—or does one merely concentrate on safeguarding "innocent" third parties such as depositors and policyholders? Striking the right balance between equity and expediency is likely to remain a difficult task for some time to come.

More serious are the fears that the crisis in the financial markets is the inevitable precursor of equally dramatic problems in the "real" world of production and consumption. Domestically, it might be argued that the banking, assurance, broking and property failures are the first bitter fruits of a state of monetary disorder which is bound to impact on the rest of the economy in time.

Externally, the problems of the foreign exchange and currency deposit markets may be taken as proof of the inadequacies of the international monetary system itself.

Ian Morison

Towards the £30 minimum wage

seniors, labourers and postmen.

With these standing incidents to the lack of concern of the TUC has had for the low paid, the evidence is there that the TUC might give way to action?

One thing that has put the unions' resolve to do something about the problem into a new context is the social contract. The TUC has been in a position to demand and receive real social benefits from the Labour Government. The return of Labour with a working majority in the Commons this autumn (which is at least a strong possibility) would mean a continuation of this trend.

Talks between TUC representatives and ministers at the Department of Employment on the proposed Employment Protection Bill have already covered the desirability for including some provision for a statutory minimum wage and the 1959 Rules and Conditions of Employment Act and the Fair Wages Resolution.

But although the Government is in accord with the unions on the aim there is still considerable divergence on the means. Disagreements have already been seen within the trade union movement. At last year's Labour Party conference a motion from the National Union of Public Employees was defeated because of opposition from the giants of the TUC, the Transport & General Workers and the Amalgamated Union of Engineering Workers.

Divergence of opinion is likely to emerge again at both the coming TUC and Labour Party conferences where there are 18 motions on low pay and the minimum wage to be discussed.

Mr Jack Jones wants to see

a major campaign around the £30 standard. The Transport union has already decided to propose an amendment to NUPE's motion at the TUC in setting the figure.

It is based on the long term social security benefit a married couple with two children on board a statutory backed minimum wage. Mr Jones argues, what justification is there for expecting a man to work for less?

He wants to see a minimum wage which can be enforced through the local tribunals of the new Conciliation and Arbitration Service. A union would be able to make its case against a reluctant employer before the tribunal and obtain an enforcement order. The question of what legal sanction would be necessary to compel compliance has yet to be settled.

The essential corollary, Mr Jones believes, is a major campaign by the unions to increase membership in industries where organization is particularly weak. There would obviously be great gains if unions could demonstrate that they could

drastically increase wages without resort to industrial action. NUPE's attitude to the minimum wage goes much further. In their forthcoming book *Low Pay and How to End It: A Union's View* (to be published by Pinter on September 2, the day the TUC conference opens) Mr Alan Fisher and Mr Bernard Dix, general secretary and research officer of the union, spell out what they believe it means "I do not think any government can really take on board a statutory backed national minimum wage unless it is prepared to accept the fact that it must intervene in the economy," Mr Dix explained this week.

"The arguments used against a minimum wage by economists are that it would mean unemployment, would reduce prices and would reduce profits. Sure it will do all these things unless the Government is prepared to stop them happening."

"I cannot conceive of a national minimum wage in a free market economy. Nor can I believe that a Conservative government would be prepared to take the steps necessary to make it work."

NUPE would like to see an

national negotiations between the TUC, CBI and Government to set the minimum wage as a prelude to the round of industry by industry bargaining.

But the union's view that the Government would have to play a large part in ensuring that there was a permanent shift in the distribution of income and wealth in favour of the poor, is more than many negotiators can stomach. They are glad to be free of statutory wage controls and are not anxious to see more government intervention.

Foreign experience has been disappointing. In Australia the introduction of a national minimum wage was followed by an intensive period of wage negotiation which reestablished the old differentials. Similar events happened in Sweden and in the United States.

Whatever happens in Britain the debate that is to come should make employers think more carefully about productivity and efficiency, make unions reexamine their priorities and make society as a whole ask whether it really does want to see something done about the low paid.

Raymond Perman



Batteries · Pharmaceuticals · Cosmetics · Dietetics · Light & Power · Environmental Protection

Varta Report 1973

Varta, West Germany's major producer of accumulators and all types of electrical batteries, has completed its first year of operation as a newly structured diversified group. Apart from Varta Batteries, it includes Byk Pharmaceuticals; Milupa Limited; Mouson Cosmetics; and CEAG Environmental Protection Equipment.

Sales

Varta AG increased its comparable worldwide sales by 7.8 per cent, to a total of DM 1,446 million (at current rates about £250 million). Consolidated German domestic sales and exports increased by 11.8 per cent to DM 1,081 million (about £180 million). Exports alone grew by 24 per cent, thus bringing their share of total turnover to 16.8 per cent.

Profits

The group's profit on consolidated domestic sales before tax was DM 38 million (about £6 million).

Dividend

A dividend of DM10 on each DM50 share was accepted by the general meeting, the same as last year. In addition, the stock capital has been increased from DM 103.2 million (about £17.2 million) to DM 154.2 million (about £25.6 million) by conversion of reserves to stock.

Personnel

The group employs 30,646 personnel throughout the world.

For a copy of the English version of the annual report, please write to Frank Law, Chairman, Varta (Great Britain) Ltd., Varta House, Hanger Lane, London, W5 1BH

VARTA Aktiengesellschaft, Frankfurt a.M., Federal Republic of Germany.

Business Diary in Europe: Fiery farmers • Bottleneck

investments and highly automated techniques. The seven fat years are a thing of the past.

The demonstrations of the various machines of agriculture within the EEC, are on the most efficient, even the most efficient, months of the year, when they can earn a living wage, it is due to sit up and take notice.

Pierre Lardinois, blue-eyed and agitated, EEC Commissioner for Agriculture, had hard words to say about EEC agricultural policy in action this weekend during a visit to The Netherlands.

If it were not for Italy, he said, the EEC would have an important beef market. Yet it was the Italians, followed by the Dutch, who are the most powerful and watch government subsidies over the hills and regulations.

The Dutch Cabinet will hold a special meeting on Thursday to consider what they can do about the Dutch farmers, many of whom are indeed earning less than the legal minimum for dairy, despite combined

Meat prices will be high next year he warned, and added that he had advised Mrs Lardinois to stock up with deep frozen meat to off-set the high prices to come.

Tough talking from a man who is obviously bursting with frustration as he has to stand powerless and watch government subsidies rise over the hills and regulations.



Hans Tauscher: Mercedes tyre problem.

found, are evidently not equipped to cope with the new paperwork which comes on top of an ever increasing volume of drink shipments. The W & SA comments on delays even at major roll-on/roll-off and container ports in the United Kingdom.

Wheel spin

Mercedes-Benz has run into a spot of bother with the hundreds of heavy lorries now being shipped into Britain from its main commercial vehicle

manufacturing plant at Würth near Karlsruhe.

Like every other continental and British lorry firm Mercedes is suffering from an acute shortage of heavy duty tyres. However, it has a ready-made solution. For some years now it has been sending lorries equipped with crude wooden tyres to foreign markets.

The substitution of small blocks of wood wired together around existing wheels saved import duty—heavy tyres are extremely expensive—and permitted foreign customers to fit tyres most suitable to local conditions.

It was a simple matter to equip lorries for Britain in this way. But when the first shipment arrived at the huge new Mercedes central depot at Wakefield, the staff found to their horror that a very high percentage of the shiny new lorries were damaged.

When subsequent consignments arrived just as battered the balloon went up. It was some time, however, before detective work produced the answer. The damage was being sustained at Rotterdam or Hull.

According to Hans Tauscher, the ex-Ford of Germany lorry manager just appointed manager of Mercedes United Kingdom's commercial vehicle division, docker-drivers were leaving their braking too late. It seems that the wooden blocks not only slip on steel decking but revolve around the wheel rim making accurate steering impossible.

Until a solution is found the

FINANCIAL NEWS AND MARKET REPORTS

Brilliant results by Braswary

From every point of view the results of the Braswary scrap- processing and steel stockholding group are excellent. Without any benefit from stock profits, it doubled its pre-tax return in the year ended April 27 to a record £515,000 after rebounding from a small loss in 1972-73. Turnover put on £3m to £11.1m.

With a final 11.03 per cent dividend being raised by 13.03 per cent, but, as the board points out, this rate is quite unrealistic as on a fully diluted basis it is covered over six times. The directors intend to remedy the disparity when permitted, certain that the full 121 per cent increase limit will be given next year.

The fresh upsurge in profits—springing from capital spending in earlier years—came largely from the steel stockholding unit, even though its trading had to be based on foreign steel. Therefore another jump in profit is likely this year.

Since becoming public in 1969 Braswary has grown at a compound 40 per cent a year without any permanent new financing. No income-tax will again be payable this year.

No deal yet on San Paulo Railway

The Brazilian Finance Ministry has denied that the total indemnity to be paid for five British public utilities expropriated in 1946, has yet been decided.

Ministry sources had said previously that the Brazilian government had agreed on an indemnity of £6m. In fact, says an official statement, both sides are still studying the matter. The companies included the San Paulo Railway and the Brazil Railway.—Reuters.

Nestle settles for Lyons' Findus stake

The agreement for the sale of the 50 per cent interest of Lyons & Co in Findus (UK) to Nestle has now been completed. The consideration payable in cash is based on the net assets value of Lyons' interest.

A payment of £5m has been transferred and an adjustment will be made on the outcome of a professional valuation of the properties of Findus. In addition, a loan from Lyons to Findus, of £4m, has been repaid and Lyons will be relieved of guarantees totalling £2.5m.

Hawkins comes in out of the cold

Reporting a net loss of £24,000 for 1973 (against one of £80,000 for 1972), Hampshires-based Hawkins Developments says it is cutting back on competitive contracting. By the end of 1974 it will be little involved in this very difficult field.

The further loss was partly

BSC-Lye Trading

The period for the making of the £6.5m offer by British Steel Corporation for steel stockholders' Lye Trading has been extended by four months, from August 31 to December 31. This follows advice from the Commission of the European Communities.

Accordingly, as announced on May 3, the cash consideration of 80p per Lye share would be increased.

BEAR BRAND

For 1973 the company lapsed into the red again to the tune of £101,000, against a £13,000 profit for 1972.

FPE

On an increased turnover of £9.4m in 1973-74 this company (formerly Fruit & Produce Exchange) made pre-tax loss of £292,000 (against profit of £101,000).

NOLTON ESTATES-A. MACK

For a possible total of £32,000 (shares or cash) Nolton Estates has arranged to acquire Anthony Mack, sterling money brokers of London. Initial instalment is £32,000 cash.

Euromarkets

Reassessing deposit rates

The panic which gripped the Eurocurrency deposit market in the wake of the Franklin National and Herstatt Bank collapses appears to be past its peak.

The reaction of the market to those crises was to create the well-publicized, multi-tiered rate structure under which only the biggest and most reputable banks were able to borrow at the London Inter-Bank Offered rates, and most others—where they could obtain funds at all—had to pay substantial premiums. At one stage rate differentials of up to 2 points were being quoted, with some leading banks actually paying a discount on LIBO.

More recently, however, the spread of rates has contracted and the effective ceiling being quoted for deposits over LIBO is now no more than half a point.

The Japanese banks in particular appear to have played a key role in both the widening

Unit Trust Prices—change on the week

ing and the contraction of the rate structure. Throughout the spring and early summer they were aggressive bidders for deposits which increasingly resulted in their having to pay over LIBO rates. Some were obliged to offer premiums of up to 1½ points.

This development was of such concern to the Bank of Japan that it finally placed a limit on the rates it would permit Japanese banks to pay. For a brief period the banks were prepared to bid only ½ of a point over LIBO and, inevitably, were unable to raise funds at all. But since then their limits seem to have stretched out to 1 point at which level they are finding willing lenders.

The pressure on the banks to raise Eurodollar deposits in the inter-bank market has eased as a result of the decision by the Bank of Japan to place tranches of dollar deposits with them domestically. In the meantime, the Japanese authorities appear to be seeking alternative means of funding the balance of payments deficit.

But although this action has helped to restore stability to the market, it is being accompanied by a fundamental reassessment among banks of the extent to which they are prepared to place deposits with other banks. In some cases lending limits have been cut back radically, and bank balance sheets appear to be receiving more critical scrutiny than hitherto.

Christopher Wilkins

Eurobond prices (yields and premiums)

	Price	Redmtn		Price	Redmtn
5 STRAIGHTS	100.00	100.00	5 STRAIGHTS	100.00	100.00
5 STRAIGHTS	100.00	100.00	5 STRAIGHTS	100.00	100.00
5 STRAIGHTS	100.00	100.00	5 STRAIGHTS	100.00	100.00
5 STRAIGHTS	100.00	100.00	5 STRAIGHTS	100.00	100.00
5 STRAIGHTS	100.00	100.00	5 STRAIGHTS	100.00	100.00
5 STRAIGHTS	100.00	100.00	5 STRAIGHTS	100.00	100.00
5 STRAIGHTS	100.00	100.00	5 STRAIGHTS	100.00	100.00
5 STRAIGHTS	100.00	100.00	5 STRAIGHTS	100.00	100.00
5 STRAIGHTS	100.00	100.00	5 STRAIGHTS	100.00	100.00

More share prices

The following companies will be added to the London and Regional Share Price List tomorrow and will be published daily in Business News:

Commercial and Industrial
Billam Jo
Stonell Holdings

Malaysian bid for Grand Central

Kuril Plantations Berhad, an unquoted Malaysian company, which nearly bought a 10.2 per cent stake in Grand Central Investment Holdings, has now come up with a cash offer of 7.5p a 10p unit for the rest of GCI. This puts a tag on the whole GCI equity of £10.2m.

Shareholders of GCI are urged to take no action on the proposed takeover by Kuril Plantations Berhad.

The proposed deal between GCI and Kuril Plantations Berhad provides for a new holding company which would make

Weekly list of fixed interest stocks

Do 85-90 ..	7 1/2	47 1/2	48	Sainsbury ..	7 1/2	55	55
Ally Higgs 8 1/2	47 1/2	48	48	Scott Newcastle ..	7 1/2	53	53
All Prov 7 1/2	46 1/2	45 1/2	45 1/2	Do 7 1/2	53	53	53
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Brokers' views

Several major stockbrokers draw attention this week to the lack of confidence in the equity market which lay behind the collapse in share prices over the past five trading sessions. References to impending recession (usually predicted for 1975) are now liberally sprinkled over the weekly crop of investment reviews.

Both Simon & Coates and Pender & Boyle see political factors as the major concern for the market during the rest of this year. S & C point out that with prospects for a General Election now running high further polls of public opinion possibly favouring the Conservatives could help medium or long-term expectations for share prices.

Simon thinks the terms of the possible new tax stock will disclose official attitudes towards

Results this week

TODAY: Finals: A. Cohen, Hogg Robinson, Howard Tensons, Services, Kiteon, Insults, Lestrat, and Neepsend. Interims: Adams & Gibbon, Gross Cash Registers and Spirilla.

TOMORROW: Finals: Best & May, Lewston Int, Steinberg, Unitech and Watshams. Interims: Kiewit, Tassauds, Prestige Group and York Trailer.

WEDNESDAY: Finals: Electronic Machine, and Phoenix Timber. Interims: N. Corah, General Accident Assurance, Gynwed, John Jacobs.

THURSDAY: Finals: Daejan, James Group, and United Domains Trust. Interims: Drake & Cubitt Holdings, Halford Shead, Hoover, Manchester Liners and Royal Dutch-Shell Group.

FRIDAY: Finals: Customagic and Scottish Automobile.

Commodities

Big rise in copper stocks expected

Another hefty rise in London Metal Exchange copper stocks is expected today. Thoughts range between an increase of 9,000 and 11,000 tonnes and would bring them to 47,300 tonnes at the lower figure.

The way the market behaved on Friday when three-month wire bars dropped £2.50 to £787 a tonne it would seem that a stock gain of the size projected has already been discounted. Whether it has been overdone is a matter for conjecture. However, some dealers are predicting that stocks will continue to rise for most of this month, possibly by around 30,000 tons.

One item that must not be overlooked is the strike in the United States copper industry has slashed nearly two-thirds off domestic production, according to New York analysts. One company official told AP-Dow Jones that "if this wasn't August, a traditionally a slower copper consuming month, and if it wasn't for the fact that government copper is still around, users would be pinched for the metal."

He said a tight situation is developing in wire bars and he noted that if the strikes continue beyond this month, the United States copper supply situation would become serious and industries will have to start depending heavily on refined copper in the United States dealer market as well as on supplies in London.

Multiplying this to some extent is the currently poor outlook by consumers and the generally pessimistic view taken for industrial activity last year.

However, one New York dealer said that demand in the United States has reappeared recently, especially for wire bars, after having slackened following the strike situation.

A point made in *Bache & Co's* latest report is that the International Transport Federation, soon to meet in Stockholm, is threatening to boycott all freight going to and from Chile. If this happens, coupled

Rubber trading switch

On September 2 London rubber trading will switch from private negotiation to the open outcry system, although Mr. Alex Caldwell, the Administrator of the United States Commodity Exchange Authority, said last year that the open outcry method of trading had outlived its usefulness. No better arrangement has yet been devised. Certainly it is infinite improvement on private negotiation.

Pacol Ltd, the London commodity brokers, says that contrary to the present system, all floor members will be in the ring with both buyers and sellers constantly visible. Current, there is usually a large gap between buyers' and sellers' prices because of the small volume of activity and difficulty in finding an equitable price by partners who are not facing each other.

In fact, most of the time the prices are guessed by the Price Fixing Committee, while the volume of business is not for publication in the press.

In the new market true prices can be formed and substantiated by regular trades at all times during market hours. This closeness between buyers' and sellers' prices. The volume and open positions will be regularly published.

Four calls will take place. The first at 9.45 am (starting and roughly with closing time in the Far East markets) then at 12.45 pm, 1.15 pm and 1.45 pm, which coincides with late morning time in the western hemisphere.

All calls will be held under a chairman while between these times trading will continue normally by open outcry.

If the market moves from the previous day's closing price by 2p per kilo trading will be halted for 30 minutes. After

The Times Share Indices

Index	Value	Change
1000	1000.00	0.00
2000	2000.00	0.00
3000	3000.00	0.00
4000	4000.00	0.00
5000	5000.00	0.00
6000	6000.00	0.00
7000	7000.00	0.00
8000	8000.00	0.00
9000	9000.00	0.00
10000	10000.00	0.00

Unit Trust Prices—change on the week

Unit Trust	Price	Change
1000	1000.00	0.00
2000	2000.00	0.00
3000	3000.00	0.00
4000	4000.00	0.00
5000	5000.00	0.00
6000	6000.00	0.00
7000	7000.00	0.00
8000	8000.00	0.00
9000	9000.00	0.00
10000	10000.00	0.00

Unit Trust Prices—change on the week

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1000	1000.00	0.00
2000	2000.00	0.00
3000	3000.00	0.00
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6000	6000.00	0.00
7000	7000.00	0.00
8000	8000.00	0.00
9000	9000.00	0.00
10000	10000.00	0.00

Unit Trust Prices—change on the week

Unit Trust	Price	Change
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2000	2000.00	0.00
3000	3000.00	0.00
4000	4000.00	0.00
5000	5000.00	0.00
6000	6000.00	0.00
7000	7000.00	0.00
8000	8000.00	0.00
9000	9000.00	0.00
10000	10000.00	0.00

Bank Base Rates

Barclays Bank	12 1/2
FNBC	13 1/2
Hill Samuel	12 1/2
G. Moore & Co	12 1/2
Lloyds Bank	12 1/2
Midland Bank	12 1/2
Nat Westminster	12 1/2
Shenley Trust	12 1/2
20th Cent Bank	12 1/2
G. T. Whyte	13 1/2
Williams & Glyn's	12 1/2

Bank Base Rates

Barclays Bank	12 1/2
FNBC	13 1/2
Hill Samuel	12 1/2
G. Moore & Co	12 1/2
Lloyds Bank	12 1/2
Midland Bank	12 1/2
Nat Westminster	12 1/2
Shenley Trust	12 1/2
20th Cent Bank	12 1/2
G. T. Whyte	13 1/2
Williams & Glyn's	12 1/2

Bank Base Rates

Barclays Bank	12 1/2
FNBC	13 1/2
Hill Samuel	12 1/2
G. Moore & Co	12 1/2
Lloyds Bank	12 1/2
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By John Woodland

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There will be seven quarterly positions, ie, January/March; April/June; July/September; October/December; etc. In addition, the first two single months will be quoted. Trading in the first single month's position will cease five business days prior to that calendar month.

At present contracts are concluded in the Rubber Settlement House through brokers. In the future, all trading will be at the level of the International Commodities Clearing House.

Meanwhile, rubber prices weakened last week with spot No 1 RSS losing 3.25p to 30.00p per kilo, thus it has retraced half of the advance made following Malaysia's 10 per cent sales cutback.

Wool sales to resume

Wool sales in Australia will be resumed on September 2 in Melbourne and Sydney and September 3 in Fremantle, Mr D. Von Bibra, the chairman of the Joint Wool Selling Organization said in Sydney and reported by Reuters. They have been postponed from August 19 on the recommendation of the organization, which represents growers, brokers, buyers and unions.

Wool expected limited demand would be a factor, and interests of the wool industry to resume sales in August with uncertainty over new season marketing policies, he said.

The organization hopes that the additional two weeks will give woolgrowers and the government time to decide marketing policies to be applied by the Australian Wool Corporation for the full season.

Mr A. C. B. Maiden, the chairman of AWC, said the corporation accepted the recommendation and meantime agreed to make wool available from its reserve stocks during the deferment period only to buyers who had to meet contracts.

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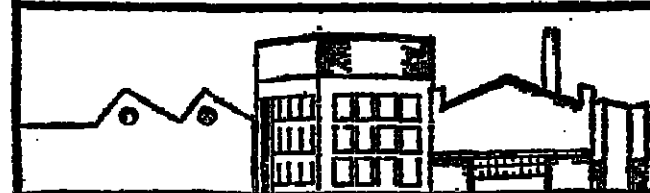
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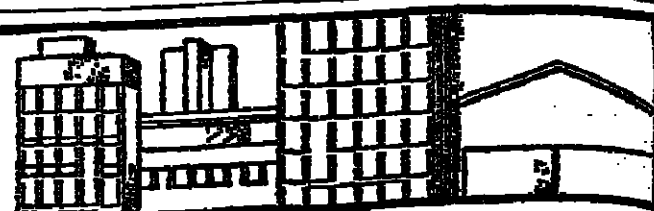
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(Current market price multiplied by the number of shares in issue for the stock quoted)

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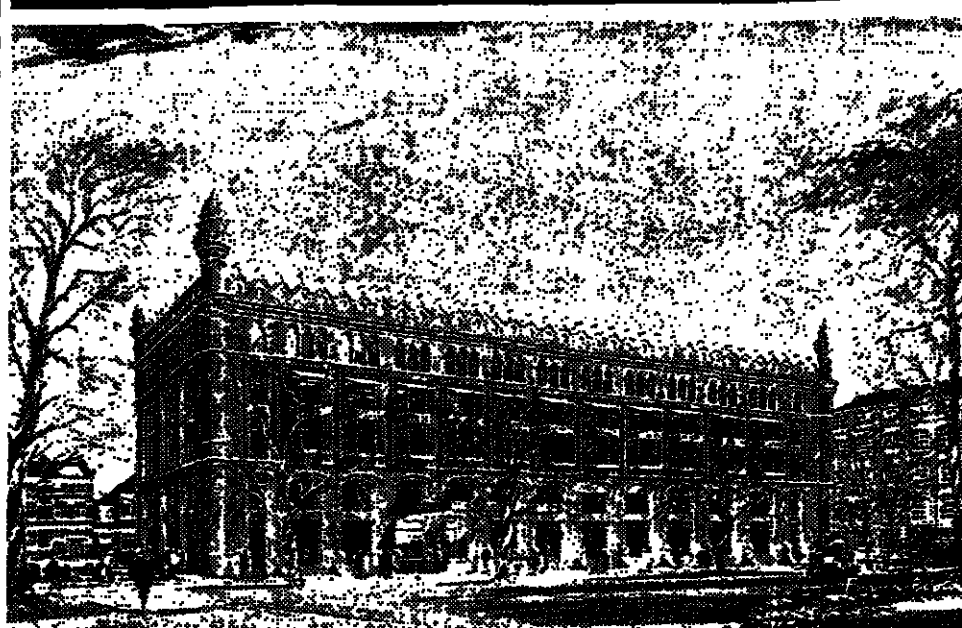


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St. Paul's House, Leeds, which is being rebuilt within the original facade.

Block with special amenities

It is not unusual for inducements, such as special facilities, decorations, full carpeting and so on, to be offered to prospective tenants of new office blocks but a new development in Bourneville may be carrying the trend a little further. Common House, situated between the central station and the main shopping area around the Square and due for completion this autumn, already has installed such amenities as a direct land line to the London Stock Exchange display services, telephones and telex systems and a furnished reception foyer. The aim is to save delay to tenants in the installation of such services and equipment. The block itself is unusual, being an eight-storey circular building which will

provide about 35,425 sq ft of air-conditioned offices. It is a development by Wilverley Securities, a subsidiary of Keith and Henderson. Letting is through Jones Lang Wootton and Goadby and Harding.

In Leeds, work has started on one of the more exotic renovation and conversion schemes, even at a time when that kind of operation is popular. The building is St Paul's House in Park Square, which is being rebuilt inside the original facade to provide about 68,500 sq ft of air-conditioned offices. It was built originally in 1878 as a very large warehouse in a kind of Arab-Saracenic style, with minarets, an ornamental parapet and other flamboyant ornamentation.

The scheme, which has the approval both of the Department of the Environment and Leeds Metropolitan Borough, is being carried out by the English Property Corporation, which acquired the freehold in 1971. Over the years the structure had become extremely dilapidated, and even dangerous in places. The interior is to be gutted and an extra floor added under the roof. The minarets and parapet are to be reconstructed in their original form in glass fibre, which it is hoped will appear identical and more impervious to the atmospheric pollution that has been responsible for much of the damage to the original building.

Access to the building is to be on the Park Square frontage, with the existing street closed and the square landscaped up to the building. Architects for the scheme are Booth Shaw and Partners, of Leeds, and the work due for completion in two years, is being carried out by the Fram Cerrard division of Leonard Farklough Ltd., of Manchester. Letting agents are Weatherall Hollis and Gale, of Leeds, and Benjamin Bentley and Partners, of Bradford.

A notable continental sale has taken place in Belgium, where C. H. Beazer Developments (Belgium) have sold the freehold investment in their new office building on the corner of the avenue des Arts, and the rue du Parlement, at a price in the region of £3m was paid by a large European investment fund represented by Jones Lang Wootton S.A. who previously had been project consultants and letting agents for Beazer. The building, completed just over a month ago, was pre-let in its entirety to Fonds des Bâtiments Sociaux, a Belgian government body.

In London, some 14,500 sq ft of leasehold offices at the corner of Kingsway and City Aldwych have been sold by the Schlesinger group of companies for more than £150,000. The scheme, comprising the first and second floors of the office block at 1, Kingsway, was formerly occupied by a Schlesinger subsidiary, but became free when the company moved to Gloucester. It has been bought by a large building company. The lease has about 15 years to run at a rent of £40,200 a year exclusive, with reviews in 1975 and 1982. The Schlesinger group are also offering for sale the leasehold interest in a further 4,000 sq ft on the third floor of the building, which is at present under offer. Grant and Partners have been acting for Schlesinger in both instances.

In Reading, C and D Commercial Developments, a subsidiary of the Town and City group of companies, has acquired a site at 27/43, Kings Road and made a planning application for a new office building of 71,000 sq ft with car parking and landscaping. The application is supported by an office development permit obtained by Sir Alexander Gibb and Partners, the consulting engineers, to whom the building has been pre-let and who will occupy the whole of it. The development, incidentally, will open up to public view the medieval arch and the Holy Brook, one of Reading's lesser known waterways. The architects for the scheme are Eric G. V. Hives and Sons, and Hillier Parker May and Rowden were the letting agents.

Centre Hotels have acquired the new Magnum Hotels in New Street, Birmingham, and Humberstone Gate, Leicester. The price has not been disclosed. Together the two hotels comprise some 440 bedrooms, all with private bathrooms, radio and television. They have been taken over as going concerns and a medium-priced tariff will be operated. These acquisitions increase the total number of Centre establishments in the United Kingdom to 24, with another three under construction. In addition there are three in Amsterdam, with a fourth under construction.

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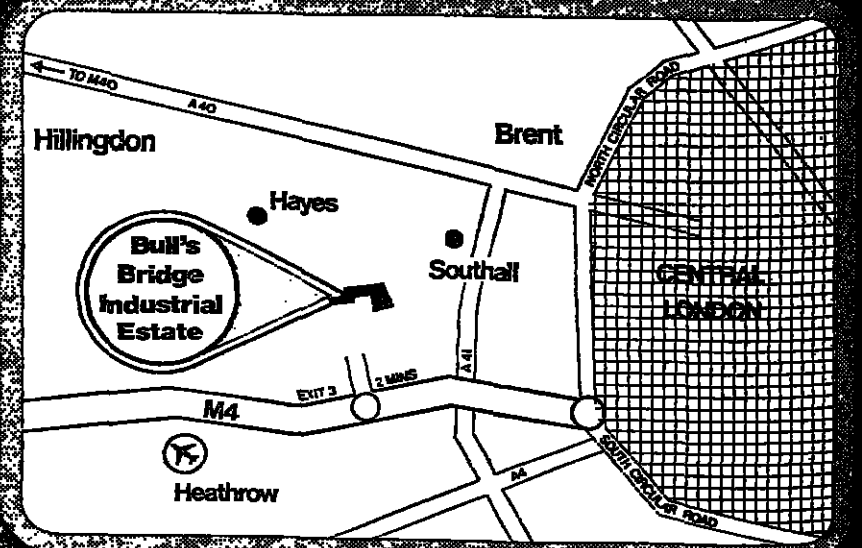
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